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Current History

A WORLD AFFAIRS MONTHLY

NOVEMBER, 1973

NATIONS OF THE PACIFIC

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Current History

NOVEMBER, 1973

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In this issue, eight specialists discuss the nations of the Pacific area, and the power balance there. Our first author points out that "it can be argued that a quadrilateral balance in Asia is likely to be extremely unstable and dangerous, and would not further the interests of the United States. . . . An excessive reliance on détente and the pursuit of a quadrilateral balance in East Asia could well lead the United States once again into a military-strategic rivalry with Japan."

The Strategic Balance in East Asia

By MARTIN E. WEINSTEIN

Associate Professor of Political Science, University of Illinois

DID THE WEEK that supposedly changed the world fundamentally alter the strategic balance in East Asia, and if so, is the transformation likely to prove beneficial?

There is no doubt that at present the American position in East Asia is much more comfortable than it was five years ago. In 1968, there were close to 550,000 American troops in South Vietnam, locked in an inconclusive stalemate with North Vietnamese and Vietcong forces. American intervention had prevented unification under Hanoi's rule, but as the Tet Offensive in the spring of 1968 showed, it had not established order or internal security in South Vietnam. Moreover, the Vietnam War was a central issue in relations between the United States and the other Asian powers. President Lyndon Johnson's administration's efforts to move beyond the Limited Test Ban Agreement with the Soviet Union toward a more comprehensive set of understandings on arms controls was being obstructed by the war in Vietnam. Peking was apparently frightened by the potential threat to China posed by American forces in Indochina.

As a result, in the late 1960's, despite the increasing bitterness of the Sino-Soviet dispute, the Chinese leadership skittishly declined American invitations to end the extreme mutual hostility that had characterized Sino-American relations since the Korean War. The war was also bedeviling the United States-Japanese Alliance. The most important issue between the

United States and Japan in 1968 was the Japanese desire for the return of the island of Okinawa, captured during the closing months of World War II. But Okinawa was a key American air and logistical staging base for operations in Southeast Asia. Consequently, as long as it was heavily engaged in Vietnam, the United States government was reluctant to agree to Okinawa reversion.

In 1968, it appeared to many Americans that the cold war and the policy of containing both Communist adversaries, the Soviet Union and the People's Republic of China, had led the United States into a pointless, seemingly endless war in the jungles and rice paddies of Southeast Asia. And the fighting in Vietnam, in turn, seemed to be perpetuating the cold war and tainting our alliance with Japan.

The American position in East Asia in 1973 presents a dramatic contrast. American ground forces are no longer fighting in Indochina. The Nixon-Brezhnev summit meetings, the SALT I agreements limiting strategic weapons, and the Renunciation of War Pact* signed in June, 1973, led Soviet First Secretary Leonid I. Brezhnev to declare publicly the end of the cold war. President Richard Nixon's visit to China and the Shanghai Communiqué were followed by the opening of official liaison offices in Peking and in Washington, functioning as de facto embassies. Okinawa was returned to Japan in the spring of 1972, thus depriving Japanese critics of the alliance of an appealing argument.

When analyzing and evaluating the strategic balance in East Asia, one should keep in mind the con-

* For the full text of this pact, see *Current History*, October, 1973.

trast between the American position in 1968 and in 1973. In historical perspective, 1968 was one of the gloomier, more frustrating years in United States Asian policy. Consciously or unconsciously, Americans judge their position today against that dismal year. That being the case, it is easy to exaggerate the advantages and benefits of our present position, and to take a rosy view of the entire Asian scene.

STRAINED RELATIONS WITH JAPAN

The tendency to confuse our own relative comfort with the stability and order of the region is illustrated by the way in which our strained relations with Japan have been glossed over and explained away. Despite the reversion of Okinawa, and despite the fact that President Nixon's trip to China enabled Prime Minister Kakuei Tanaka to open diplomatic relations with Peking, the United States-Japan alliance has not fared well since 1968. In fact, presidential foreign policy adviser Henry Kissinger's secret trip to Peking in June, 1971, badly embarrassed the Japanese government, undercut its trust in the alliance, and aggravated the economic quarrels that have been plaguing the United States and Japan. Former ambassador to Tokyo Edwin O. Reischauer has publicly stated that misguided United States policy-makers have brought about a "drastic deterioration" in American-Japanese relations; he has expressed deep concern over the survival of the alliance.¹ Nevertheless, we seem to have almost lost sight of the United States-Japan alliance in the hazy, perhaps euphoric atmosphere of détente.

The utility of touching on the strained, quarrelsome state of the United States-Japanese alliance is that it points us toward the criteria for judging the nature and significance of the strategic changes that have taken place in East Asia. For if the improvement in United States-Soviet and United States-Chinese relations is of a fundamental and enduring nature, then the United States-Japanese alliance will have lost its original purpose, and will become a marginal asset. If, on the other hand, the current détente is a passing, perhaps short-lived phase, then the alliance ought to be carefully preserved, and its deterioration becomes a matter of serious concern.

¹ "Reischauer Hits U.S. Policy on Eve of Talks with Japan," *The Washington Post*, July 14, 1973, p. A9.

² *United States Foreign Policy for the 1970's: A Report by President Nixon to the Congress*, United States Information Service, May, 1973. In particular, see "Introduction," pages 1-13.

³ A. Doak Barnett, "The New Multipolar Balance in East Asia: Implications for United States Policy," *The Annals of the American Academy of Political and Social Science*, vol. 390, July, 1970, pp. 73-86. The quadrilateral equilibrium described here is a composite of the 1973 Foreign Policy Report and Mr. Barnett's earlier analysis. Among those who advocate a four-power balance, Mr. Barnett is most sensitive to the danger of ending the United States-Japanese alliance.

The belief that the current détente represents a fundamental, enduring transformation in the strategic balance in Asia is frequently a corollary of the proposition that we have, during the past few years, moved from a rigid, tense and unstable, bipolar, cold war balance into a fluid, yet more relaxed and stable four-power balance. The new quadrilateral arrangement is seen as having developed out of basic changes in the strategic weight and alignment of the major actors in Asia.

The official version of this transformation suggests that, while the ingredients for the change were present, the current administration's wisdom and diplomatic skill ultimately produced the new structure of peace.² A more modest, detached analysis indicates that the Sino-Soviet conflict has been the most important element in this change.³ By the end of the 1960's, China had acquired a limited but independent nuclear force, and was using it to pursue defiantly self-reliant policies, especially toward the Soviet Union. The consequence was the Sino-Soviet border clash of 1969. For all practical purposes, this destroyed the Sino-Soviet alliance, and was viewed as conclusive evidence that the conflict ran extremely deep, and was unlikely to be settled in the foreseeable future. The Peking version of Lin Piao's death in an airplane crash while attempting to flee to the Soviet Union implied that the top Chinese leadership had been divided over how to deal with the conflict, and that the militantly anti-Soviet factions had prevailed.

In the aftermath of the Damansky Island fighting, however, the Soviets rapidly built up their forces on the Chinese border, from 23 divisions in 1969 to 44 divisions in 1973. This ominous reinforcement caused the Chinese leaders to label the Soviets as enemy number one, replacing the United States, which was withdrawing its ground forces from Vietnam. During 1972, Chinese Chairman Mao Tse-tung and Chinese Premier Chou En-lai received first President Nixon, and then Prime Minister Tanaka, in Peking. The willingness of Chinese leaders to entertain the capitalist, imperialist leaders reflected their need to show the Soviets that China was not diplomatically isolated, and that a Soviet attack on China might antagonize the United States and Japan.

The Soviets, of course, denied that they were planning such an attack. Though obviously much more powerful than China, the U.S.S.R. tried unsuccessfully to organize its own united front, calling for an Asian security conference which would have been directed toward the containment of China.

Advocates of a new quadrilateral balance noted that the Communist side of the bipolar balance was shattered by China's development of an independent nuclear capability, by the border clashes, and by the willingness of both the Chinese and the Soviets to

enlist the United States and Japan as quasi-allies in the Sino-Soviet dispute.

But while there are strains in the United States-Japan alliance, there are still United States military bases in Japan, and Japan is not a nuclear power. Even the most enthusiastic advocates of a quadrilateral balance in Asia recognize that the non-Communist side of the old bipolar balance has not disintegrated to the extent the Communist side has. Nevertheless, they go on to argue that, in the 1970's, economic issues have assumed primary importance in international affairs. Japan has the third most powerful industrial economy in the world, and the most powerful in East Asia. The Japanese are the largest investors and traders in the Asian rimland, from Korea down through Taiwan and Indonesia into Malaysia and Thailand. Moreover, Japan has become a worldwide economic competitor with the United States. As a consequence, Japan is viewed as an emerging economic superpower, with a capacity for strategic independence.

QUADRILATERAL BALANCE

According to this interpretation, the Nixon Doctrine, the extrication from Vietnam, the reconciliation with China, the Renunciation of War Pact with the Soviets, and even the loosening of our ties with Japan are intelligent, neatly executed adaptations to the new "multipolar" world. The abiding American interest in Asia is to prevent domination of the region by a hostile, aggressive power. The United States is now using the Sino-Soviet dispute to achieve this purpose. While it is only prudent to keep the alliance with Japan as a form of insurance, we should recognize Japan's capacity as an independent actor, and encourage Japan to be an autonomous, committed participant in the new balance.

The proponents of the quadrilateral balance are generally optimistic that it will work better than the bipolar balance. In general, they believe that given a modicum of American diplomatic skill, it will be possible to avoid the dangers inherent in the new order. They believe that the successors of Mao and Chou will be persuaded that it is in China's interest to continue to improve her ties with the United States, never again becoming a member of a Sino-Soviet bloc. They believe that vague American support for China, combined with a willingness to cooperate with the Soviets on arms control and economics, will dissuade the Soviets from using their military superiority over China to resolve the Sino-Soviet dispute by force. And they believe that as long as the continental giants are balanced against each other and are eager to maintain workable relations with the United States, Japan's options are extremely limited. Hope-

fully, Japan will adjust sensibly to a more fluid, insecure relationship with the United States, and will continue to rely on the American nuclear deterrent.

If events in East Asia since 1968 are explained by the emergence of a four-power balance, then President Nixon's trip to China was instrumental in achieving the transformation, the transformation has been of a fundamental nature, and there are solid grounds for believing that it will prove beneficial, not only to the United States, but to the region as whole.

A LESS OPTIMISTIC VIEW

However, these same events, including the relative improvement in the American position, can also be given a less symmetrical, more skeptical interpretation. Given our habit of ending our wars in the belief that we shall never fight another, together with the normal human propensity to interpret good luck as sure evidence of superior intelligence and skill, this less optimistic interpretation deserves a hearing.

Stated briefly, this view holds that the strategic balance in Asia has shifted since 1968, but it has not become a four-power balance, and it is not in the American interest to encourage the emergence of such a balance. The improvement of our position is a consequence of: 1) the Vietnamization policy, which would have extricated our ground forces from Indochina, with or without the unworkable Vietnam Peace agreements; and 2) China's desperate need to end her diplomatic isolation in order to reinforce her position in the Sino-Soviet conflict. The détente which has been generated by the Vietnam Peace agreements, by the Shanghai Communiqué, by SALT I, and by the Nixon-Brezhnev summits, is more atmospheric than real. It is a declaratory, American domestic détente, aimed at the American public, who were sick of the cold war and Vietnam and eager to welcome a "generation of peace."

The fundamental transformation of Far Eastern politics from a bipolar, two-bloc system to a multipolar system occurred a dozen years ago, when the Sino-Soviet conflict became public, and the Chinese began to build an independent nuclear arsenal. The recent improvement of government-to-government relations between China and the United States and Japan is essentially a reflection of China's attempts to reinforce her position in the Sino-Soviet conflict by alleviating her diplomatic isolation; and of efforts by the American and Japanese governments to improve their domestic positions by creating an image of initiative, movement and relaxation in foreign affairs. The highly publicized events of the past two years have not, however, wrought any basic changes either in the distribution or the configuration of power in this region.⁴

Moscow, Peking and Tokyo are not enthralled with détente, nor do they perceive the new, four-power balance in Asia as clearly as we do. Publicly, the Soviets recognize only a two-power balance, between

⁴ Martin E. Weinstein, "Is Japan Changing Its Defense Policy?" *Pacific Community*, January, 1973, page 186.

themselves and the United States. But their 44 divisions on the Chinese border are irrefutable evidence that they regard China as a military threat and a major strategic actor in the Far East. On the other hand, Soviet unwillingness to negotiate the "Northern Islands" issue with Japan indicates that, despite Japan's economic accomplishments, the Soviets do not view Japan as an important strategic actor, either as a potential adversary or as an ally.

The Chinese leaders also see a triangular arrangement in East Asia, with themselves, the United States and the Soviets as the principal actors. As a consequence of the Japanese invasion of China in the 1930's, they are more uneasy than the Soviets about Japan's strategic potential. Their attitude since normalization in 1972, however, suggests that they hope that Japan will be content with continued strategic dependence on the United States. It should be noted that while the Chinese have softened their propaganda attacks against the United States, they still label the United States as an enemy, but not so dangerous an enemy as the Soviet Union. Peking does not acknowledge that there has been a fundamental strategic change. On the contrary, it openly states that it is engaging in a tactical maneuver, using the United States—the lesser enemy—to offset the Soviet Union—the greater enemy.⁵

The Japanese government has publicly welcomed détente, and was pleased at the opportunity to open diplomatic relations with China. In private, however, Japanese officials have grave misgivings over the way in which the United States has dealt with the Soviets and the Chinese without consulting Japan.⁶ They worry over signs of American isolationism and protectionism. The Japanese government wants to continue close, cooperative relations with the United States in both security and economic affairs. Although the Japanese believe that a degree of economic competition between American and Japanese enterprises is desirable and unavoidable, they do not want this to develop into an economic struggle between the American and Japanese nations. Japan depends upon the United States for 30 per cent of her total foreign trade (including indispensable food and raw material imports), while only 10 per cent of American foreign trade is with Japan. The Japanese economy is dependent and vulnerable. Japan's economic welfare requires cooperation with the United States.

Although the Japanese government is pleased with the apparent lessening of tension in East Asia, it does not subscribe to the belief that a fundamental change

has taken place in the balance of power, or that a quadrilateral balance has materialized. On the contrary, Japanese officials generally believe that the present détente is essentially a consequence of Chinese tactical maneuvering against the Soviets. Since the present state of the Sino-Soviet dispute reduces both the Soviet and Chinese potential to act against Japan, they would like to see it continue. The Japanese, however, are skeptical about American ability to influence Chinese policy. They do not think it is prudent to assume that China's present line toward the Soviet Union or toward the United States will extend beyond the period of Premier Chou En-lai's control of Chinese foreign policy. Consequently, the Japanese government places a greater value on the American alliance than does our government, and is dismayed by American willingness to use the alliance as a tool in its economic quarrels with Japan.

This interpretation suggests that the détente and the four-power balance are not so durable or so substantial as we might like to believe. The United States has been able to take advantage of the Sino-Soviet dispute, but that does not mean that the United States will have a controlling influence on the future of the dispute. Japan, supposedly a major actor in the quadrilateral balance, has not been willing to accept the role we have assigned her.

Finally, it can be argued that a quadrilateral balance in Asia is likely to be extremely unstable and dangerous, and would not further the interests of the United States. The most likely source of instability is Japan. Living as she does in the midst of three nuclear and major conventional military powers, Japan must either depend for her security on one of them, or she must build her own nuclear and conventional forces. Japan's leaders have chosen to rely on the American alliance, and they want to continue that alliance. But the workability of the alliance depends upon American trustworthiness, upon the belief that the defense of Japan is vital to the United States, and upon the continued presence of Japanese-based American naval and air forces in the western Pacific.

American policy toward Japan, from the secret Kissinger visit to China in the summer of 1971, to the embargo on soybean exports to Japan—in con-

(Continued on page 225)

Martin E. Weinstein has been a research associate and executive editor of Columbia University's East Asian Institute. After serving in Japan with the United States Air Force for three years, he returned to Tokyo in 1967-1968 for research on Japan's defense policy. He is the author of *Japan's Postwar Defense Policy, 1947-1968* (New York: Columbia University Press, 1971). He is presently on leave of absence with the Brookings Institution, working on a book on current United States-Japanese relations.

⁵ Ross Terrill, "China's Foreign Policy," *The Atlantic Monthly*, June, 1973, pp. 4-5.

⁶ The author was in Tokyo in May-June, 1973, in order to learn the views of Japanese foreign ministry officials and Conservative policy-makers on recent United States policy and developments in Asian international politics.

"There is no doubt that Asian nations have grown in politico-economic capability and international stature sufficiently to deter major powers including Japan (as commonly perceived) from making ill-conceived selfish moves against Asia. These healthy constraints that are strong enough to check major powers are the ultimate basis for the peace and prosperity of Asia."

Japan and the "Smaller States" of Asia

By KOJI TAIRA
Professor of Economics, University of Illinois

JAPAN HAS A LARGE DYNAMIC economy producing a gross national product (GNP) that ranks third in the entire world next to the United States and the Soviet Union; her GNP is already larger than the sum of GNP's of all countries in East and Southeast Asia, including China.* Given its growth rate, Japan's GNP in 10 to 15 years from now will most likely be as large as the trillion-plus-dollar GNP of today's United States.

What does this all portend for the world? Will Japan, a country not of gods but of humans, be able to ensure the use of her production capability for the peace and well-being of the world without falling prey to the temptations of power and domination over other countries? These are some of the vital questions people all over the world are asking with increasing concern.

Many divinations about Japan's impact on the world are based on a rather uncritical espousal of a premise that a country's GNP is a measure of its political power vis-à-vis other countries. Japan's large GNP is therefore held to imply Japan's power, though only potential at present, over the world. But the point should not be exaggerated. No doubt, it is wise to keep an eye on those nations with a large GNP, so that their wasteful use of resources in pursuit of undesirable political goals may be detected and prevented

early. Fortunately, however, Japan has over the years evolved the concept of the separation of economics from politics (*seikei bunri*) as a sort of national doctrine to guide her relations with the rest of the world. Furthermore, the notion of power is rather slippery. If Country A's having power means that it can force Country B into doing something that benefits A at the expense of B,¹ Japan has so far been in B's position rather than A's in relation not only to major powers of the world but also in relation to the "smaller states" of Asia. Moreover, Japan has so far had no objectives which cannot be attained or managed within the framework of peaceful and patient negotiations on the basis of reciprocity or mutuality.

Of course, Japan's low posture in the past does not mean that Japan will never acquire the taste and strategy for the exercise of coercive power over other nations. Current discussions of Japan's power, however, are not sufficiently careful about three major issues involved in the assessment of Japan's opportunities and constraints. These are (1) Japan's foreign policy objectives (for example, whether a nation has objectives the attainment of which requires the use of power over and beyond what can be achieved through equitable negotiations, and how legitimate and consistent these objectives are with reference to Japan's own long-run well-being); (2) choices in the strategy of coercion ("unclear blackmail" as practiced by major powers of the world today, "saber rattling" as practiced by Japan before the Second World War, economic favors or retaliation as repeatedly demonstrated by the United States, especially after the "Nixon Shocks" of 1971, and other measures); (3) the domestic factors that encourage or restrain a nation's use of coercive power over others (the constitutional checks and balances in the formu-

* I am grateful to William Bork for research assistance and participation in the development of the argument contained in this article. I would also like to acknowledge the financial assistance of the Center for International Comparative Studies and the Center for Asian Studies at the University of Illinois for my research on Japan and Asia which has spawned this paper. However, I alone am responsible for views expressed in it.

¹ For an exploration of this definition, see K. Taira, "Power and Trade in U.S.-Japanese Relations," *Asian Survey*, Vol. XII, No. 11 (November, 1972).

lation of national goals, unity or diversity of public opinion, interest groups, the "conscience" of the nation as expressed by moral, religious or intellectual leaders, and so on).

These issues may serve as a checklist by which to examine particular viewpoints about the future impact of Japan on world politics. Sometimes, for example, one encounters an argument of this kind: i.e., Japan's industrial production depends on mineral and energy imports from Southeast Asia and the Middle East, and *therefore* Japan will sooner or later build up naval capability to safeguard the lifelines of supplies over the Indian Ocean, through the Malacca Strait, over the China Seas and the Pacific Ocean. However, a moment's reflection will be enough to see that the safety and continuity of the sea transport as a foreign policy objective can be more efficiently secured by other diplomatic efforts and economic bargaining backed up by international agreements and multilateral law enforcement machinery than by a show of naval power by an importing nation.

In this article, we cannot go into all the details of relations between Japan and the "smaller states" of Asia. Instead, we will focus our attention on Japan's socio-economic objectives that necessitate the cooperation of other countries (through trade, investment, and other forms of economic interactions) and ask whether Japan is likely to use methods that fall short of the standards of fair and equitable negotiations. Japan, ever since the "Nixon Shocks" of 1971, has shown a remarkable ability to make the best of an adverse situation brought about by the United States' superior power of coercion, as discussed elsewhere.² This article therefore purports to follow similar lines of analysis with reference to Japan's relations with the "smaller states" of Asia to ascertain whether these relations have generated or are likely to generate for Japan vis-à-vis these countries the type of coercive power that has been dramatically demonstrated by the United States over Japan in the last two years.³

When two countries with different GNP scales trade with each other, a given volume of trade means more to the country with a smaller GNP than to one with a larger GNP. Should this trade suddenly disappear, the country with a smaller GNP suffers more than its trading partner in terms of the standard of living, adjustment of living and working conditions, search for new export outlets and import sources, and so forth. It was Albert O. Hirschman's brilliant insight that developed a theory of power between countries from the differential meaning of the same volume of

trade to different countries because of differences in the scale of national economy (as best measured today by GNP).⁴ Thus trade implies a leverage of threat on the part of a country with a larger GNP and a measure of dependence on the part of one with a smaller GNP. There are several indicators which may be used for estimating the power implications of trade relationships. Some of these are as follows:

- (i) total exports (or imports) as a percentage of GNP;
- (ii) the percentage of total exports (or imports) going to (or coming from) a given foreign country;
- (iii) the balance of trade as a whole or with respect to a given trading partner (which under different rules of the game initiated by the United States' deficits in this account has changed its power implications drastically);
- (iv) certain combinations of indicators above.

The export ratio or import ratio (i) is often used as an indicator of a country's "dependence" on foreign trade. The frequent use of the word "dependence" is important when one contemplates the political implications of trade, for a country loses a degree of freedom with respect to something on which it "depends." The higher the export or import ratio, for example, the larger will be the adverse impact on the national economy of widespread disruptions of world trade. A country that heavily "depends" upon trade cannot therefore initiate such disruptions unless it is prepared (for reasons that are irrational or romantic) to absorb the relatively greater cost of such initiatives to itself than to other countries. Likewise, the percentage of a country's total exports going to (or imports coming from) a given foreign country (ii) suggests its dependence on that foreign country. These percentages for the United States and Japan have been playing an enormous role in emasculating Japan with respect to a series of foreign economic moves initiated by the United States.

To complete the comments on the trade basis of international power relations mentioned above, chronic deficits in the balance of trade (iii) ordinarily weaken a debtor-country vis-à-vis creditor-countries. During the days of "gun-boat diplomacy," creditor-countries sometimes seized resources of debtor-countries for enforcing the payment of debts. The implicit threat of this nature in relation to international trade has been a source of discipline for national efforts to balance imports and exports. When the United States rejected the idea of submitting to the conventional discipline of trade balances in 1971, political implications of international trade took on a different coloring.

United States-Japanese relations offer an illuminating example of political implications of bilateral trade.

² *Ibid.*

³ For additional information, see K. Taira, "Japan's Economic Relations with Asia," *Current History*, Vol. 60, No. 356 (April, 1971).

⁴ A. O. Hirschman, *National Power and the Structure of Foreign Trade* (Berkeley, Calif.: University of California Press, 1945).

United States imports from Japan amount to one-third of Japan's total exports, while Japan's imports from the United States amount to about 10 per cent of the United States' total exports. Should United States-Japanese trade suddenly cease to exist, Japan would lose the market for one-third of her exports, while the United States would lose the market for but one-tenth of her exports. Even if the total exports had the same impact on the economies of the United States and Japan (i.e., even if the degree of trade dependence were the same for the United States and Japan), the disruption of United States-Japanese trade would inflict more damage on Japan than on the United States. The damage to Japan would actually be greater because Japan depends more on exports than the United States. Similar data and

reasoning may be applied to Japan's relations with "smaller states" of Asia.

The table presented below shows, among other things, differential degrees of dependence on trade for selected Asian countries, Japan and the United States. Many useful implications can be drawn from this table. One overriding impression is, however, that any one Asian country by itself does not mean very much either to the United States or Japan as a trading partner. Although the principal purpose of this table is to explore the meaning of differential trade dependence for Asia and Japan, the United States data are also included to prevent the discussion of Asia-Japan relationships from being blown out of proportion.

To illustrate the use of the table for purposes of this

Dependence of Asian Countries on Trade with the World, the U.S.A. and Japan using percentages for 1971

| Country | Export Dependence On World ^① | Import Dependence On World ^② | Export Dependence On U.S.A. ^③ | Import Dependence On U.S.A. ^④ | Export Dependence On Japan ^⑤ | Import Dependence On Japan ^⑥ |
|-------------------|---|---|--|--|---|---|
| | ① Total Exports GNP | ② Total Imports GNP | ③ Exports To U.S.A. Total Exports | ④ Imports From U.S.A. Total Imports | ⑤ Exports To Japan Total Exports | ⑥ Imports From Japan Total Imports |
| Republic of Korea | 11.8 | 26.5 | 43.3 | 28.5 | 25.6 | 35.7 |
| Hong Kong | unavailable | unavailable | 34.5 | 12.5 | 3.0 | 23.2 |
| Taiwan | 31.2 | 28.3 | 40.8 | 28.3 | 14.0 | 38.9 |
| Thailand | 12. | 18.5 | 11.7 | 11.2 | 27.7 | 34.5 |
| Malaysia | 54.8 | 48.7 | 15.6 | 4.8 | 21.6 | 13.3 |
| Singapore | 77.7 | 127.0 | 7.7 | 11.1 | 6.5 | 18.0 |
| Philippines | 12.4 | 14.1 | 42.2 | 25.6 | 43.7 | 34.9 |
| Indonesia | 10.0 | 9.9 | 16.7 | 22.4 | 68.7 | 38.3 |
| Ceylon | 14.0 | 14.3 | 9.5 | 4.8 | 5.8 | 10.1 |
| Australia | 14.0 | 12.7 | 12.2 | 22.1 | 34.6 | 15.5 |
| New Zealand | 18.7 | 18.6 | 16.9 | 8.2 | 11.8 | 9.5 |

| Country | U.S.A. Dependence On Exports To... ^⑦ | U.S.A. Dependence On Imports From... ^⑧ | Country | Japan's Dependence On Exports To... ^⑨ | Japan's Dependence On Imports From... ^⑩ |
|-------------------|---|---|-------------------|--|--|
| | ⑦ Imports From U.S.A. U.S.A. | ⑧ Exports To U.S.A. U.S.A. | | ⑨ Imports From Japan Japan's Total Exports | ⑩ Exports To Japan Japan's Total Imports |
| Republic of Korea | 1.5 | 1.0 | Republic of Korea | 3.5 | 1.3 |
| Hong Kong | .98 | 2.1 | Hong Kong | 3.3 | .5 |
| Taiwan | 1.1 | 1.8 | Taiwan | 2.9 | 1.4 |
| Thailand | .3 | .2 | Thailand | 1.8 | 1.2 |
| Malaysia | .17 | .6 | Malaysia | .8 | 1.9 |
| Singapore | .7 | .3 | Singapore | 2.1 | .5 |
| Philippines | .78 | 1.1 | Philippines | 1.9 | 2.6 |
| Indonesia | .6 | .4 | Indonesia | 1.8 | 4.3 |
| Ceylon | .03 | .06 | Ceylon | .1 | .09 |
| Australia | 2.3 | 1.3 | Australia | 3.0 | 8.9 |
| New Zealand | .2 | .5 | New Zealand | .5 | .8 |
| | ⑦ Imports From U.S.A. U.S.A. | ⑧ Exports To U.S.A. U.S.A. | | ⑨ Imports From Japan Japan's Total Exports | ⑩ Exports To Japan Japan's Total Imports |
| | Total Exports | Total Imports | | | |

Sources: U.N. *Statistical Yearbook*, 1972; Tables 146 and 188.

U.N. *Commodity Trade Statistics*, 1971; *Statistical Papers*, Series D: Vol. XXI, Nos. 1-11.

Statistical Abstract of the United States, 1972; Table 1286.

article, it may be seen that 43.3 per cent of the Republic of Korea's total exports go to the United States, but that only 1.5 per cent of the total United States exports are taken up by the Republic of Korea. Likewise, Japan takes 28.5 per cent of Korea's exports, but Korea takes only 3.5 per cent of Japan's. The total cessation of trade (only for a conceptual experiment) between the United States and the Republic of Korea means the loss of market for 43.3 per cent of Korea's exports. But the United States' loss of market amounts to only 1.5 per cent of her total exports. In short, the odds for coming out on top from a trade war are loaded 43.3 to 1.5 against Korea vis-à-vis the United States. Likewise, the odds against Korea vis-à-vis Japan are 25.6 to 3.5, considerably less than in the case of the United States but still substantial enough to cause second thoughts on the part of Koreans.

It is clear then that each of the "smaller states" of Asia exports proportionately more to Japan than Japan exports to them. In other words, the earnings of foreign exchange from exports to Japan are proportionately more important to Asian countries than Japan's earnings from exports to them are to Japan herself. Should a trade disruption arise between any one of the Asian countries and Japan, the hardship suffered by Japan because of the event will be relatively far less than that suffered by the Asian country in question. If Japan desired to extract a certain concession from an Asian country, a threat to stop trading, though only as unmentionable background material, would give Japan a political leverage to back up her demand. Likewise, the percentage of any Asian country's total imports coming from Japan is invariably far higher than the percentage of Japan's total imports coming from that country.

As far as indicators are concerned, the trade dependence of an Asian country on Japan is even stronger than Japan's dependence on the United States. Yet, when the United States seized upon the unequal United States-Japanese trade relationship to make certain bold demands on Japan like the revaluations of the *yen*, voluntary restraints on Japanese exports to the United States, a fuller liberalization of foreign capital investment in Japan and, later, a ban on some United States exports to Japan, Japan had to acquiesce with no effective means of retaliation. An economy the size of Japan has been as powerless as this in the context of trade dependence.

Thus arises a terrifying question, at least as a conceptual possibility: will Japan some day use her trade-based power of coercion over Asian countries the way the United States has used hers on Japan in the last few years? Fortunately, the likelihood of a

"yes" answer can be postponed for many more years. There are no domestic political or economic problems in Japan (similar to the United States' high unemployment and balance-of-payments difficulties) that could be alleviated at least psychologically by showing how "tough" Japan can be to foreign countries. Nevertheless, Asian countries are correct in taking note of their unequal economic relations with Japan and worrying about their political implications.

At the same time, it is possible that they worry too much. In recent years, the Asian countries' anxiety about their relations with Japan has even surfaced in the form of shrill verbal attacks and violent street demonstrations against Japan. The talk of "ugly" Japanese is now commonplace throughout Asia. The Asian appellation of the Japanese as "economic animals" is orchestrated with the Western mockery of them as "transistor salesmen." Apparently, the Japanese simply cannot do anything right anywhere.

The Japanese therefore find themselves in an impossible dilemma. It seems that however well they behave, a single little inadequacy of word or deed would be enough to cancel thousands of merits. It would be entirely human, therefore, if Japan's collective psyche one day collapses and Japan begins to take irrational paths toward power in the crudest possible sense—the military. (Since there are people like Herman Kahn who consider this entirely normal for a nation,⁵ the line between rationality and irrationality in a nation's behavior is evidently far from clear.) The world's prophesy about the linkage of economics and politics, or wealth and power, would then be vindicated; but the world would be worse off for that, while Japan would once again be held responsible for disturbing the peace of Asia. This is the snare to which the current rhetoric and resentment of Japan's economic capability seem to be leading.

But it is not solely the "wickedness" of Japan that leads the "saintly" world into grave difficulties. Tit-for-tat, the shoe may be put on the other foot, for it can be the wicked world that leads innocent Japan into this trap. Even in terms of pure economics an economic collapse or a radical shift in the direction of resource allocation in Japan, after the Japanese economy has grown to its present size, will also have enormous effects on other economies, particularly those of the "smaller states" of Asia. By provoking Japan into economic and political difficulties, the world therefore will have to pay a portion of the cost resulting from disruptions due to Japan's irrational responses. Which is to blame becomes a moot question after such disruptions have actually taken place. This, then, is the dilemma for the world, eloquently put by James P. Sterba with respect to Asian countries:⁶

⁵ Herman Kahn, *The Emerging Japanese Superstate* (Englewood Cliffs, N. J.: Prentice-Hall, 1970).

⁶ James P. Sterba, *The New York Times*, August 28, 1972.

political or military force the nations of the region fear most. Second, Japanese economic retaliation could stagnate development throughout the region, causing a depression that could serve the designs of subversives helped by the Chinese or Russians.

OPTIONS FOR JAPAN

It would of course be folly for Japan to capitalize on the dilemma of the "smaller states" of Asia. In this respect, the consequences of United States foreign economic policy in the past two years offer an object lesson for Japan's options. It is true that a strong and prosperous United States economy is highly desirable from the world's point of view, but it does not follow that whatever the United States does, the world owes her an obligation to keep her strong and prosperous.⁷ Thus, observing how the United States has infuriated the world by her series of unilateral moves since the summer of 1971, Japan should, and can, avoid tasteless "gutter politics" based on a naked calculus of power. Options associated with a balance of power should be ruled out forever.

This is not a moral sermon for Japan. The realities of constitutional constraints on Japanese polity actually rule out the conventional notion of power. The preamble of the Constitution of Japan contains the following "pledge":

We, the Japanese people, desire peace for all time and are deeply conscious of the high ideals controlling human relationships, and we have determined to preserve our security and existence, trusting in the justice and faith of the peace-loving peoples of the world. . . . We, the Japanese people, pledge our national honor to accomplish these high ideals and purposes with all our resources.

Further, Article 9 of the Constitution states that ". . . the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes."⁸

No matter how the power-hungry fringes of Japanese politics tried to circumscribe the pledges and injunctions of the constitution, their success would be limited by a broad cross-section of the Japanese public that can exercise its political clout in defense of the constitution. Furthermore, in terms of the style and comfort of living that a country's economic capability should bring about, Japan still falls far short of the target that exists in the popular image of relationships between production and living conditions. An increasing portion of Japan's economic capability is yet to be transformed into improvements in the level

and quality of life before Japan can claim that she has caught up with the advanced countries of the West. Japan needs more resources to solve such problems as cleaning up the polluted environment, providing services to the aged, the young, the sick, the disabled, and the disadvantaged, overcoming lags in scientific accomplishments (Japan boasts a shamefully small number of Nobel laureates in view of the fact that she is the world's third richest country, for example). International activities requiring peaceful and imaginative uses of resources also include educational and cultural exchanges, official technical and economic assistance, more sophisticated involvements in international organizations and machineries, and so on. It is clear that the conventional concept of power is rather counterproductive as an adjunct of a nation's efforts in these areas.

In the face of apparently world-wide misgivings about the consequences of Japan's economic capability, Japan's best friend is time. Should 20 more years elapse without Japan using power against other countries associated with Japan's success in her domestic programs, Japan's national character would surely be pronounced peaceful by the world. At the same time, 20 years would work wonders in the "smaller states" of Asia which are already characterized by a built-in growth momentum. They will be economic giants in their own right in the near future. What is crucial here is peace—20 years of peace at least. In this respect, remarks by His Excellency Soedjatmoko, former ambassador to the United States from Indonesia, on how to maintain peace in Southeast Asia are extremely valuable. Speaking of the possibility of a viable Southeast Asian organization of states like the Association of South East Asian Nations (ASEAN), he points out "that Southeast Asian nations should have the wisdom and fortitude to refrain from inviting the intervention of external forces in cases of intra-regional or internal conflict." He further states: "It is equally important for them to realize the other side of the coin—i.e., that the major-power Southeast Asia relationships will be as much influenced by the local powers as by the major powers, and that to an important extent major-power interaction among

(Continued on page 230)

Koji Taira has taught at the University of the Ryukyus, the University of Washington, and Stanford University, and was an official of the International Labour Office in Geneva, Switzerland. He is currently Professor of Economics in the Department of Economics and in the Institute of Labor and Industrial Relations at the University of Illinois. He is the author of *Economic Development and the Labor Market in Japan* (New York: Columbia University Press, 1970) and *Ningensei no keizaigaku* (Humane Economics) (Tokyo, 1970).

⁷ For a survey of U.S. feelings about trade, see M. Bronfenbrenner, "A Japanese-American Trade War?" *Quarterly Review of Economics and Business*, Vol. 11, No. 3 (Autumn 1971); and K. Taira, "Reflections on U.S.-Japan Economic Conflict," *Management Japan*, Vol. 6, No. 3 (Winter, 1973).

⁸ For an illuminating analysis of Japanese attitudes toward this and other provisions of the constitution of Japan, see Myung-kun Yiu, "The Prospect of Japanese Rearmament," *Current History*, Vol. 60, No. 356 (April, 1971).

"While unmistakably the LDP has dominated the corridor of power structure in postwar Japan, democratic institutions and political culture have provided the resources for political leadership in terms of growth, legitimacy, continuity, reliance and predictability. Japan thus has made steady progress toward democracy, but the change has been directed toward modernity within her own tradition."

Postwar Political Leadership in Japan

BY KEY S. RYANG

Associate Professor of History, Martha Washington College

NOTHING HAS BEEN SO PHENOMENAL in Japan in the postwar period (1945-1972) as a stable and steady growth toward democratic institutions, despite the rapid and frequent changes in the Japanese Cabinet, which has been overturned 23 times. There are various explanations: economic and industrial growth, reliance on the United States for defense, the industry of the Japanese people, and Japan's constitutional and political structure.

In theory, the Japanese Cabinet is now vested with the executive power. The 1947 constitution explicitly designated the Cabinet as the sole source of the executive power; however, in actual practice, the center of gravity in exercising this power is not so much the Cabinet but its head, the Prime Minister. He is chiefly responsible for discharging the executive power and he is constitutionally empowered to do so as the head of the executive branch of the government.

Only a member of the Diet can constitutionally head the government. In order to do so, he must lead his party as party president; moreover, he must first be elected to the Diet. Apparently, in the post-war period, no one expected to lead or head the government without his party's support. Thus, the post-war politician has been, in one sense, not only a man of strong party orientation but a man of strong party organization. While this has been a fundamental reality of postwar Japanese politics, it is less certain that the Japanese electorate has been similarly oriented toward party membership.¹

Japanese voting behavior also reveals a great deal. The national survey of the people's preference for selecting the candidate suggests that only an average of 34 per cent of the voters over the period of 1958-

1967 actually voted on the basis of their party support. Instead, Japanese voters tended to vote on the basis of the candidate's ability, achievement and personality.

The party's relationship with the Diet is most intimate. The Diet actually makes and unmakes the party government; and the party government is thus accountable to the Diet. Conversely, the Diet makes the party government responsible to the electorate. The Diet is moreover constitutionally empowered to designate a Diet member as its choice as Prime Minister and the Prime Minister must appoint a majority of his Cabinet members from the Diet members. He is also greatly dependent upon the Diet for appropriations to run the government. His domestic and foreign policies are also scrutinized and his performances are closely watched and checked by the Diet. While he and his Cabinet are subject to the no-confidence vote of the Diet, he has the right to dissolve the Diet. On the other hand, he may call an extraordinary session of the Lower House and may also convoke the Upper House in emergency session in case of the dissolution of the Lower House.² Party responsibility has thus been constitutionally and politically maintained; its effectiveness and performance are measured by the party's command of the majority in the Diet.

In postwar Japanese politics, the principle of collective responsibility has been closely followed. It is essential for the Prime Minister and Cabinet members to stand together once a decision is made. If an individual minister refutes or opposes the Cabinet decision, the Prime Minister is empowered to remove him any time, on any issue, as he chooses, unless the decision has been either open or non-Cabinet. Another strong measure for actual operation of collective responsibility is that the Prime Minister can ask the Diet to dissolve. Also, whenever the Prime Minister resigns, his Cabinet must resign en masse. In this

¹ Nathaniel B. Thayer, *How the Conservative Rule Japan* (Princeton: Princeton University Press, 1969), pp. 84, 86.

² Articles 53 and 54.

sense, the Japanese government regards an attack on a Cabinet minister as an attack on the government.

Finally, the Prime Minister's effectiveness is greatly dependent upon whether or not he can control and command the strongest faction of his party.

ELEVEN PRIME MINISTERS

Japan's postwar Prime Ministers have invariably been modern, well-educated, professional, organizational and party-faction-orientated men. Above all, they are in general professionally skilled in performing their roles and politically most effective in interacting group relations. Over the period of 27 years between 1945 and 1972, there were altogether 11 men who took the helm of state. The postwar Prime Minister was relatively old in assuming office for the first time compared with his prewar counterpart; the average age was about 64 (63.6) while the median age for the prewar minister born before 1868 was 52, and for those born after 1868 was about 62. The youngest to have obtained office was Tanaka, who became the Prime Minister on July 6, 1972, at the age of 54. He succeeded Eisaku Satō as the youngest postwar Prime Minister, though Satō himself served longest in office since the office was first installed in 1885. The oldest was Tanzan Ishibashi, who was 72 when he first formed his Cabinet on December 22, 1956.

In the postwar period, there have been relatively few Prime Ministers. While the turnover of the Cabinet was rapid, the office of the Prime Minister was extraordinarily stable, due partly to the fact that a few men returned repeatedly and partly to the fact that all the Prime Ministers since Yoshida's first Cabinet (May 22, 1946), and Katayama's Cabinet (May 24, 1947–March 10, 1948), were members of the forerunner of the Liberal Democratic party or members of the Liberal Democratic party itself.

Before a complete merger of the Liberal Democratic party took place in November, 1955, Yoshida dominated, holding the office for nearly eight years out of the total ten years of the 1945–1955 period. In the succeeding 1955–1972 period, five different Prime Ministers occupied the office, each serving an average of about three years; they were, however, all from the Liberal Democratic party. A one-sided representation of the office had definitely persisted. As a result, the stability of the office was exclusively maintained by the Liberal Democratic party, and continuity was perpetuated, with only one party in power throughout this period.

Usually, the party president who commanded the strongest faction of the majority party transferred his strength into the Lower House. Unlike prewar Prime Ministers, all postwar Prime Ministers were members

of the Lower House, with the single exception of Prince Higashikuni. They were also invariably party presidents before they headed the government. Significantly, then, in postwar Japanese politics, party power structure has been well integrated into the legislative process.

After the first general election of the Diet, held on April 10, 1946, the Liberal party commanded a plurality of 141 votes out of a total 464 in the Lower House. Yoshida formed a coalition Cabinet for the first time. He had practically no legislative experience, having been a prewar senior diplomat prior to assuming the office (though he eventually gained at least eight years of legislative experience while staying in the office). With the exception of Yoshida, all postwar Prime Ministers since 1946 had had extensive legislative experience prior to assuming the office. An average length of legislative experience for the Prime Ministers was about 14 years. Most significant, a majority of the postwar Prime Ministers did not have prewar legislative experience; they were rather newcomers to the political arena. Among the postwar Prime Ministers, Hatoyama and Katayama had had the most extensive legislative experience both in the prewar and postwar periods.

The educational and professional background of the postwar Prime Ministers reveals that they were not only highly educated but they had all succeeded in their professions. An overwhelming majority—eight out of eleven—were the graduates of the Tōdai-Kyōdai, the Japanese counterpart of Oxford,³ and far more highly trained than the prewar Prime Ministers, only 65.6 per cent of whom completed formal higher education in one form or another. Moreover, almost all postwar Prime Ministers and their Cabinet members were civilians; the only exception was again Prince Higashikuni, who headed the government immediately after the war.

It is also significant that only one postwar Japanese Prime Minister, namely Katayama, was a lawyer. The most discernible professional patterns of the postwar Prime Ministers were two: the ascendancy of diplomats in the 1945–1952 period and the dominance of bureaucratic-technocrats in the 1952–1972 period. An increasing professionalization of Japanese Prime Ministers took place in the postwar period. They were also clearly inclined to be achievement-orientated and strongly embedded in "intellectualism" in their education and training, perhaps with the exception of Tanaka.

As to social and geographical origins of the Prime Ministers, the majority (seven out of the total eleven) of the postwar Prime Ministers were sons of the rising, prosperous merchants and professional families. They were invariably the products of modern Japanese society which was then undergoing a rapid industrialization. Also, more than half—Higashikuni,

³ Both Tōdai and Kyōdai are the former Imperial Universities of Japan, Tōkyō Imperial University and Kyōto Imperial Universities.

Shidehara, Yoshida, Katayama, Ashida, and Hata-yama—were born in the metropolitan areas of Tōkyō, Kyōto and Osaka. In contrast to this, the overwhelming majority (95 per cent) of the prewar Prime Ministers were born in the rural areas. Also unlike the prewar Prime Ministers, the postwar Prime Ministers had no apparent tie with the traditionally dominant social class, the samurai. If any of them had such a tie, none of them ever tried to claim it.

Almost all of the postwar Prime Ministers came from middle and upper classes of the Japanese society. In contrast, the prewar Prime Ministers had only a marginal representation from these classes. Therefore, in the postwar period, an individual Prime Minister did not undergo rapid social mobility.

The postwar Prime Ministers have been interlockingly connected with factional politics; they were leaders representative of the strongest faction of their parties.⁴ To be effective, a Prime Minister has had to lead the strongest faction in the party as well as to command a majority of other factions in the party.

With these demanding dual leadership roles both in party and in government, the postwar Prime Ministers have been politically experienced, intelligent, skillful organization men, typical of modern industrial society. However, these qualities were not sufficient to warrant an efficient performance. Most discernibly, there seem to be at least four reliable and effective methods of sustaining and maintaining factional politics in Japan. First of all, the strength of a faction leader is largely determined by his ability to provide major appointments in the party and government.⁵

Another equally determining factor is the faction leader's capacity to solicit, collect and deliver political funds,⁶ needed to maintain his factional organization and, more important, to elect his followers to the Diet. The extent of a faction leader's influence in and compatibility with both the party and the government is inseparably dependent upon his political and financial resources. For instance, most LDP Diet members are also often recipients of political funds from the party itself. As of the mid-1960's, most LDP Diet members were to receive, "as a matter of routine, about half a million yen per a year from the party and at least Y 1 million from the factions."

⁴ Haruhito Fukui, *Party in Power* (Berkeley and Los Angeles: University of California Press, 1970), p. 134.

⁵ Thayer, *op. cit.*, p. 31.

⁶ Gerald L. Curtis, *Election Campaigning Japanese Style* (New York: Columbia University Press, 1971), p. 234.

⁷ Robert W. Ward has suggested that the interplay of individualism and traditional particularism appears within the institutional framework. This adoption probably does reduce the degree of conformity and provide more attention for the individual citizen socially and therefore politically. See also Frank Langdon, *Politics in Japan* (Boston: Little Brown, 1967), p. 90. Langdon quoted from Robert E. Ward, "The Community and Political Process," *Village Japan*, ed. by Richard K. Beardsley, John W. Hall and Robert E. Ward (Chicago: University of Chicago Press, 1959), pp. 436-41.

A compelling predicament appears in political fund-raising in the LDP; most often, party leaders (officials of the party) and faction leaders are in competitive positions. Competition and proliferation are thus inevitable, and the political climate and the culture of factional politics make the LDP's intra-party and intra-factional relationship extremely complex.

An equally important factor in determining the strength of a faction leader is the assurance that his faction members in the Diet will increase. Whether a faction leader succeeds hinges on his ability to elect as many members from his own faction as Diet members. Factional leaders and party officers may find themselves actively competing against each other to elect their own followers. The faction leader maintains not only his own headquarters, besides his tie with the LDP's, but runs his own political convention and training institute.

The final determining factors in factional strength are a faction leader's personal ties and social connections, including his collegial and professional ties. For example, Satō was a graduate of the Law School of Tokyo Imperial University, like many of the other postwar Prime Ministers, but he was professionally a bureaucratic technocrat in that he had a successful career in the Ministry of Transportation. He was from a relatively well-to-do family, whose head was a prosperous sake brewer. It is noted that Satō's two elder brothers are the late vice-admiral of the Imperial Navy, Satō Ichiro, and the former Prime Minister, Kishi Nobusuke, while his brothers-in-law, Tsunemitsu Shirō of Sanwa Bank and Hara Hidekuma of Daiichi Electric Industry, are also well known names in business circles.

Postwar Japanese Prime Ministers have worked rather efficiently with the parliamentary institution which they have helped to nurture and cultivate, combined with active factional politics.⁷ Within the limits of Japan's political tradition and culture, the Prime Ministers function as a pivotal embodiment of the parliamentary party institution. They have been proved to be most pragmatic in their performance, and they have been the least inclined to be ideological in arriving at political decisions. While unmistakably the LDP has dominated the corridor of power structure in postwar Japan, democratic institutions and political culture have provided the resources for political leadership in terms of growth, legitimacy, continuity, reliance, and predictability. Japan thus has made steady progress toward democracy, but the change has been directed toward modernity within her own tradition.

Key S. Ryang specializes in the comparative government of Britain, United States and Japan, and in Japanese history.

"In sum, while the two Koreas have converged both literally and in terms of political structure and ideology, they continue to be embroiled in conflict—conflict born of the disparate political interests of their respective rulers, two decades of mutual distrust, and a bloodstained record of enmity."

Convergence and Conflict in the Two Koreas

By B. C. Koh

Professor of Political Science, University of Illinois at Chicago Circle

THE MOST NOTEWORTHY DEVELOPMENT in the Korean Peninsula since the dawn of the new decade is the convergence of the two Koreas. The convergence has manifested itself not only in the well publicized dialogue between the two erstwhile enemies but also in the realm of ideology and power. Nevertheless, the fundamental incompatibility of the interests of the respective governing elites continues to generate friction and conflict.

For two decades, after the outbreak of the fratricidal Korean War in June, 1950, the two halves of Korea steadfastly maintained postures of unremitting hostility toward each other. The Communist regime of Kim Il Sung,¹ officially known as the Democratic People's Republic of Korea (DPRK), continued to wage vigorous campaigns of psychological warfare, infiltration, and sabotage aimed at undermining and eventually toppling its rival, the government of the Republic of Korea (ROK). Since it perceived the formidable military shield of the United States, embodied in the presence of 60,000 American troops and the United States-ROK mutual defense treaty, as the principal stumbling block to its goals, Pyongyang also made an all-out effort to vilify, harass, and humiliate Washington hoping to force the latter's withdrawal from Korea. Symptomatic of Pyongyang's continuing preoccupation were such provocative incidents as the abortive commando raid on the presidential mansion in Seoul in January, 1968, the forcible seizure of the U.S.S. *Pueblo* in the same month, and the downing of the United States naval reconnaissance plane EC-121 in April, 1969.

For their part, the successive regimes in Seoul took

stern counter-measures against the ever-present threat from North Korea by enacting singularly harsh anti-Communist and national security laws and by beefing up their defense apparatus. In the world arena, Seoul spared no effort in downgrading Pyongyang, flatly refusing to recognize the latter's existence, let alone its legitimacy.

Against this backdrop, the initiation of a dialogue between the two Koreas in September, 1971, came as a welcome surprise to the Korean people. But that dialogue, which had begun on an ostensibly non-governmental basis for the avowedly humanitarian objective of reuniting an estimated 10 million Korean families broken up by the Korean War, escalated to a series of high-level political negotiations, leading to the stunning publication of a North-South joint communiqué on July 4, 1972. An examination of the sequence of a few key events may help us to understand the meaning of this sudden breakthrough in inter-Korean relations.

In retrospect, the Liberation Day speech by ROK President Park Chung Hee in August, 1970, marked an important milestone in North-South relations. In that speech, Park unveiled a significant change in Seoul's policy by indicating a willingness to "propose and implement epochal and . . . realistic measures with a view to removing in stages various artificial barriers between South and North Korea" provided that North Korea cease all hostile acts and publicly renounce her goals of aggression toward and forcible overthrow of the Seoul government. Park also said that Seoul would no longer object to North Korean participation in annual United Nations debates over Korea on the condition that Pyongyang acknowledge the authority and competence of the world body. Finally, he challenged North Korea to a peaceful competition with South Korea in economic development.²

In political terms, however, the speech was less an

¹ The spelling of Korean names in this article follows the known preferences of the individuals concerned. Other Korean proper nouns and words are romanized according to the McCune-Reischauer system.

² *Tonga Ilbo* (Seoul), August 15, 1970.

olive branch than a well calculated gesture to offset Pyongyang's propaganda offensive. For not only was the offer of reconciliation contingent on a set of conditions manifestly unacceptable to North Korea,³ but the tone of the speech was hardly calculated to please Pyongyang, containing as it did a denunciation of Kim Il Sung as well as references to the "North Korean puppets." To no one's surprise, North Korea categorically rejected the overtures as a "swindle."⁴

In April, 1971, North Korea launched a counter-offensive. In a report to its nominal legislature, the Supreme People's Assembly, Foreign Minister Huh Dam unveiled an eight-point program, including a proposal to negotiate with "all political parties . . . and . . . patriotic persons" in South Korea "at any mutually agreeable time and place."⁵ Conspicuously absent was Pyongyang's customary insistence on withdrawal of all foreign (i.e., United States) troops as a precondition for negotiation. Whether the expression, "all political parties . . . and . . . patriotic persons," embraced the ruling Democratic-Republican party (DRP) and President Park Chung Hee, however, remained unclear.

In August, 1971, Premier Kim Il Sung (his title changed to President in December, 1972) clarified the matter: North Korea, he said, would meet with "all political parties including the DRP, all social organizations, and all individuals at any time."⁶ The omission of the adjective "patriotic" was obviously designed to convey the message that no one would be ruled out. Six days later, Seoul responded by proposing talks between representatives of Red Cross organizations in the two Koreas for the purpose of reuniting separated families.⁷ Pyongyang's acceptance of this proposal on August 14 marked a historic turning point in Korea. After two decades of armed confrontation and mutual recrimination, the two Koreas finally agreed to talk with each other.

A SLOW PACE

The painfully slow pace of the Red Cross talks (there have been seven full-dress sessions held alternately in Pyongyang and Seoul as of this writing [August, 1973]) and their apparent lack of progress

³ For Pyongyang to "renounce" aggressive aims toward Seoul, for example, would be tantamount to admitting that it had indeed harbored such aims. As for the United Nations, Pyongyang had steadfastly maintained that the world body had forfeited its moral as well as legal authority to be an impartial arbiter on the Korean question on account of its participation as a belligerent in the Korean War.

⁴ *Nodong Sinmun* (Pyongyang), August 22, 1970, editorial.

⁵ *Ibid.*, April 13, 1971.

⁶ *Ibid.*, August 7, 1971.

⁷ For the text of the proposal, see Han-Kyo Kim (ed.), *Reunification of Korea: 50 Basic Documents* (Washington, D.C.: Institute for Asian Studies, 1972), pp. 81-82.

⁸ For the text of the communiqué, see *Tonga Ilbo* and *Nodong Sinmun*, July 4, 1972, and *The New York Times*, July 5, 1972.

have disillusioned many Korean people. Yet their catalytic role in stimulating political dialogue between the two Koreas should not be overlooked. On July 4, 1972, Seoul and Pyongyang simultaneously released a joint communiqué disclosing that the two sides, through a series of secret negotiations between top-level political emissaries, had reached an understanding to work toward improving their relations and eventually reunifying the peninsula. The heart of the communiqué was agreement on three principles of reunification calling, respectively, for (1) an independent solution of the problem free from interference by "outside force," (2) a peaceful approach to the problem, and (3) the transcending of differences in ideas, ideology, and systems in order to achieve a national unity.⁸ The communiqué also stated that "the two sides have agreed not to slander or defame each other, not to undertake armed provocations whether on a large or small scale, and to take positive measures to prevent inadvertent military incidents." Additionally, the two sides agreed to establish a "hot line" as well as a "North-South Co-ordinating Committee."

The hope that these breath-taking developments would soon pave the way for Korean reunification, however, was quickly dashed. For subsequent events clearly showed that the gulf separating the two Koreas in terms of political interests remained as wide as ever before. On the key question of eliminating interference by "outside force" in the reunification process, for example, both sides advanced conflicting interpretations from the outset. To Pyongyang, the phrase meant first and foremost that United States troops must be withdrawn from Korea and that the U.N. must keep its hands off Korea. To Seoul, neither the presence of United States troops nor the United Nations constituted an "outside force." Nor was the solemn pledge to refrain from slandering or defaming each other scrupulously observed. Except for the fact that both sides stopped referring to each other as "puppets," nothing much appears to have changed. Thinly veiled slander and criticism have continued to emanate from each side more or less continuously, and both sides have pointedly refused to use each other's official names.

How may one account for North Korea's decision to participate in the dialogue with Seoul? And what of Seoul's motives? Manifestly, one cannot stress too much the importance of external stimuli in the initiation of the Korean dialogue. More than anything else, United States President Richard Nixon's decision to visit the People's Republic of China and the significant change in the external political milieu of the two Koreas which it foreshadowed must have entered into the strategic calculations of both Pyongyang and Seoul. For détente between their major patron states had serious implications for the viability of their erstwhile strategic goals.

Insofar as North Korea was concerned, furthermore, the July 4 joint communiqué could not have been more welcome. As noted, the explicit renunciation of "outside force" by the two sides, coupled with the emerging détente in Korea which the communiqué both symbolized and anticipated, would, in Pyongyang's view, lead to the withdrawal of United States troops from Korean soil, thus removing what it perceived as the major obstacle to Korean unity. A reduction of tensions would also mean that North Korea would be able to alleviate its manpower shortage by diverting a sizable portion of its military personnel to the industrial sector.⁹

Another possibility is that Kim Il Sung may have revised his scenario for the communization of South Korea. His original scenario, unveiled in his report to the October, 1966, conference of the Korean Workers party (KWP), called for organization of a Marxist-Leninist party in the South with peasants, workers, and progressive intellectuals as its core. With North Korean assistance, the party would engage in all possible forms of struggle to harass and undermine United States troops and South Korean authorities. After the party succeeded in its goal of a revolutionary take-over of power, there would be negotiations between the two Koreas, resulting in reunification. But the "Revolutionary Party of Reunification," designed as the vanguard of the revolution, exists in name only. Kim may have reasoned that increased overt contacts between the two Koreas would open up new opportunities for "revolutionary" struggle in the South.

CONVERGENCE IN POLITICAL STRUCTURE

The probable motives of Seoul in initiating the

⁹ For Kim Il Sung's admission of labor shortage in North Korea, see Minobe Ryōkichi, "Kin Nichi-sei shushō kaiken-ki" [Interview With Premier Kim Il Sung], *Sekai* (Tokyo), February, 1972, p. 50.

¹⁰ See the special presidential proclamation accompanying the declaration of martial law in *Tonga Ilbo*, October 18, 1972.

¹¹ *Ibid.*, April 26, 1971. Events soon proved that he would indeed honor the last part of his pledge: that he would make no more campaign speeches. Under new constitutional order that emerged in the wake of the "October reforms," Park would be elected indirectly and thus be spared the chore of making any campaign speeches.

¹² The multiple correlation coefficient between the opposition vote and these two variables was an astounding .937. See Jae-On Kim and B. C. Koh, "Electoral Behavior and Social Development in South Korea: An Aggregate Data Analysis of Presidential Elections," *Journal of Politics*, Vol. 34, No. 3 (August, 1972), pp. 825-859. Kim Dae Jung recently came into the limelight of the world press when he was kidnapped by six Koreans from a hotel in Tokyo in August, 1973. He had been living in self-imposed exile in Japan and the United States since President Park's declaration of martial law in October, 1972. His outspoken criticisms of Park's dictatorial rule had attracted considerable attention from the press to the obvious dismay of the Park regime. His reappearance in Seoul five days after his abduction sparked an uproar in Japan for an infringement of sovereignty. The incident was expected to have an adverse impact on Seoul-Tokyo relations.

dialogue may be explored by examining the uses to which it has been put. The traumatic events in South Korea since October, 1972—the declaration of martial law, the restructuring of South Korea's political system resulting in the unprecedented concentration of power in the hands of the President, and the virtual elimination of free speech and electoral competition—lead to one obvious conclusion: the dialogue has been used to legitimize the extension *ad infinitum* of the tenure and powers of President Park.¹⁰

A little perspective is in order. A constitutional ban on Park's third term was lifted in 1969 amid an intense controversy and through such extraordinary tactics as the holding of a secret midnight session of the National Assembly to approve the measure, to which only the known supporters of Park were invited. When he ran for a third term in April, 1971, his principal opponent, Kim Dae Jung, charged that Park would prolong his rule beyond a third term. On the eve of the election, Park responded to the charge in these words:

The opposition party has been spreading the false propaganda that . . . I will seek [reelection to the Presidency] twice, thrice, and forever. But, in approving the constitutional amendment enabling me to run for a third term, you [the electorate] have given me permission to run one more time only, not unlimited times. If you will elect me again this time, this will be my last political speech.¹¹

Park was reelected to his third term by polling 51 per cent of actual votes cast, compared with 43.5 per cent for Kim Dae Jung. Park owed his victory mainly to the support of voters in his native region, Yōngnam, and in rural areas. Indeed, statistical analysis suggests that two variables, régionalism and urbanization, together accounted for 88 per cent of the variance in voting behavior in that presidential election.¹²

In the National Assembly election of May, 1971, the opposition New Democratic party (NDP) nearly doubled its strength by winning a total of 89 seats, as opposed to 113 seats captured by the DRP. Two seats were won by minor parties. In the 3 most populous cities—Seoul, Pusan, and Taegu—the NDP won all but 4 of the 32 seats contested. The chief significance of all this was that the opposition party was now in a position to block any constitutional amendment aimed at prolonging Park's rule.

These electoral returns, however, were not the only signs of mounting antigovernment sentiment on the part of the South Korean people. In fact, social and political unrest continued to plague the Seoul regime throughout 1971. Notable events included (1) continuing student protests against electoral dishonesty, corruption in government, and compulsory military training (which led to the closing of universities twice, massive arrests of students, and the unprecedented military occupation of campuses), (2) a nationwide struggle by university professors for academic free-

dom, (3) strikes by medical interns and residents at national hospitals, (4) the unprecedented crisis in the judiciary in which judges throughout the nation tendered their resignations en masse in protest against alleged infringement of their independence, (5) the revolt by 2,000 residents in a low-income public housing project, and (6) a bloody mutiny by members of a special air force unit which claimed the lives of 44 persons, including 20 mutineers.¹³

It was clearly in response to this state of affairs that Park declared a state of emergency in December, 1971. Citing the threat from North Korea, Park vastly expanded his powers and drastically curtailed political liberties, particularly freedom of speech and of assembly. But, as Pyongyang was to reveal seven months later, secret political contacts between the two Koreas had already been under way when these measures were taken.¹⁴ Ironically, the dialogue with North Korea provided the principal justification for the jettisoning of even the trappings of political democracy in October, 1972.

Under a new constitution¹⁵ approved in a referendum by 92.3 per cent of South Korean voters in November, 1972, practically all restraints on presidential power were removed, and the Presidency became the repository of total power. Most important, the President would be elected indirectly to an indefinite number of six-year terms by a "National Council for Unification." On December 23, 1972, Park was reelected to his fourth term by the Council. The vote was 2,357 to 0, with two invalid votes. There were no opponents.¹⁶

Interestingly, North Korea also undertook constitutional change. On December 27, 1972, her Supreme People's Assembly adopted a new constitution whose salient feature appears to be the narrowing of the gap between form and reality. Kim Il Sung, who was elected to the newly created post of *chusōk* (officially translated as President) the next day, became the supreme leader in law as well as in fact.¹⁷ In brief, in terms of political structure, the two Koreas have achieved a remarkable degree of convergence.

¹³ For details of these and other incidents, see *Tonga yon'gam* [Tonga Yearbook], 1972 (Seoul: Tonga Ilbo-sa, 1972), pp. 443-463.

¹⁴ See the text of Second Vice-Premier Park Sung Chul's news conference in Pyongyang in *Nodong Sinmun*, July 4, 1972.

¹⁵ Technically, the old constitution was merely "amended," but the amendments were so sweeping as to create a new constitutional structure.

¹⁶ *Han'guk Ilbo* (Seoul), December 24, 1972.

¹⁷ *Nodong Sinmun*, December 28 and 29, 1972.

¹⁸ B. C. Koh, "Ideology and Political Control in North Korea," *Journal of Politics*, Vol. 32, No. 3 (August, 1970), pp. 655-674.

¹⁹ For impressions of foreign visitors, see the series of articles by Harrison E. Salisbury and John M. Lee in *The New York Times*, May 15, 17, 19-22, 26, and 31, 1972.

²⁰ Minobe, *op. cit.*, p. 50.

²¹ *Korea Times* (Seoul), August 12 and 16, 1973.

As noted, it is not simply in the realm of political structure that the two Koreas have become alike. Their guiding ideologies as articulated by their respective leaders have also become remarkably similar. Article 4 of the new DPRK constitution stipulates that "[t]he Democratic People's Republic of Korea is guided in its activity by the *chuch'e* idea of the Korean Workers party which is a creative application of Marxism-Leninism to our country's reality." The term "*chuch'e*," which refers essentially to self-reliance, has become a synonym for Kim Il Sung's political thought which enjoys almost divine status in North Korea, thanks to the intensity of a cult of personality centering around him.¹⁸

North Korea's vigorous quest for political and economic independence and self-reliant defense capability reflects the influence of the *chuch'e* idea. There remains, however, a considerable gap between aspirations and achievements. In the economic arena, Pyongyang has apparently succeeded in transforming a war-shattered economy into a fairly modern industrial complex.¹⁹ Nevertheless, Kim Il Sung told Governor Minobe of Tokyo in October, 1971, that life in North Korea was far from affluent, that the quality of North Korean products was relatively poor, and that what had been accomplished in his country was the solution of the basic problem of feeding, clothing, and housing the people in a rudimentary way.²⁰

More serious is Pyongyang's painfully heavy dependence on Moscow and, to a lesser degree, on Peking for modern military hardware. Just as Seoul leans heavily on the defense commitments of Washington, so does Pyongyang bank on its mutual defense pacts with the two Communist giants. In an effort to preserve maximum leeway, Pyongyang has oscillated between its two feuding patron states in terms of ideological support. In the last few years, it has clearly become a dedicated ally of Peking without, however, completely alienating Moscow. Most recently, signs of new strains between Pyongyang and Moscow have appeared. In response to repeated overtures by Seoul, the Soviet Union opened its doors to selected South Korean visitors in June, 1973. They included a stage director, two businessmen, and a 38-member athletic team to compete in the World University Games. North Korea expressed its displeasure by boycotting the games.²¹

Inasmuch as "*chuch'e*" symbolizes the yearning for
(Continued on page 226)

B. C. Koh is the author of *The United Nations Administrative Tribunal* (Baton Rouge: Louisiana State University Press, 1966) and *The Foreign Policy of North Korea* (New York: Praeger, 1969). He has also contributed articles on North Korea and on international administration to various scholarly journals.

"The advent of a Labour government in November, 1972, meant for all practical purposes the replacement of an administration which had become passively conservative with an administration which might be labeled moderately progressive, bearing in mind that the nature of New Zealand conditions and her small population have always meant that this is something of a cooperative state where government of necessity bulks large in supplying basic services."

New Zealand: "Plus ça Change . . .?"

By W. KEITH JACKSON

Professor of Political Science, University of Canterbury, New Zealand

IN NOVEMBER, 1972, the New Zealand Labour party was elected to power with an overwhelming parliamentary majority; 55 seats to the 32 held by the former National government. Labour first held office between 1935 and 1949 and then again between 1957 and 1960; so the election represents a shift in emphasis rather than a radical change of direction in New Zealand politics. What was surprising was not so much the change but the size of the majority which the Labour party won, for not only is it the largest majority held by any party since Labour first came to power in the depression years of the 1930's but was also largely unexpected.

The causes and explanations of the change of government in 1972 are varied. On the one hand, though the Labour government holds a higher proportion of the parliamentary seats than any party since the first Labour government at the elections of 1935 and 1938, the swing of votes to Labour from National was less than a quarter of the 1935 swing. The first-past-the-post electoral system used in New Zealand tends to exaggerate parliamentary majorities and this was particularly pronounced in this election. Indeed, in some ways the question that needs to be asked is not why Labour won in 1972 but why it failed to win in 1969. New Zealand has held triennial general elections since 1879. Although changes of government are not frequent, it did seem in 1969 that the National government, which had then been in power for nine years, and had for all practical purposes dominated the political scene since 1949, was sorely threatened. At that time, the National government went to considerable lengths to retain power, even persuading aging ministers who wished to retire to stay on for another three years. Shortly before the 1969 election, one of the key National government ministers, J. R. Hanan, died, and a second senior and very popular

minister, Tom Shand, died immediately afterward. These two men were never adequately replaced, and between 1969 and 1972 the government seemed to lack the sureness of touch which had characterized it earlier. Sensing the deteriorating political situation at the beginning of 1972, Prime Minister Keith Holyoake, who had dominated New Zealand politics for the previous decade, offered his resignation to the caucus of the parliamentary party and was replaced by his deputy, John Marshall, a widely respected lawyer who had been deeply involved in New Zealand's negotiations with the European Economic Community. Marshall, however, failed to invest his new administration with either the spirit or urgency or the political flexibility which was required to deal with new and developing problems; thus, by November, 1972, the government was very much on the defensive.

Under the parliamentary system, there is a tendency for governments which have been in office for any length of time to become creatures of their own administrations. When they are first elected to office, ministers have few scruples about telling public servants what they want done and leaving it to the administrators to find a way to achieve their objects. Thereafter, they steadily become a prey to the problems of the public servants who are adept at explaining why particular policies are not practicable. As a result, the National government in 1972 seemed to reflect little more than the caution of the public servant—it was a government that had run out of steam.

On the other hand, although there was a great deal of respect for the leader of the Labour party, Norman Kirk, who had impressed the electorate with his performances on television since before the 1969 general election, there was little evidence of widespread enthusiasm for Labour as a party at this stage. To this

extent it seems likely that a considerable proportion of the electorate were voting *against* a government which was failing to fulfill their expectations rather than *for* an alternative. One of the remarkable features of the change, however, was the degree of enthusiasm which was engendered once the change took place. The Labour party had campaigned on the slogan, "It's time for a real change," and the result of the election brought about a great upwelling of discontent with what had been, in retrospect, so obviously a static regime. In this sense, the real enthusiasm for change seemed to follow rather than precede the election itself.

A RESTORATIVE ROLE

Fundamentally, the two major political parties in New Zealand—National and Labour—are not far apart on many issues. Theoretically, Labour may be a socialistic party but it accepts the existing basic economic structure of society virtually without question; similarly the National party, although theoretically a conservative party, has no hesitation in interfering directly in the economy as occasion may demand. Both parties accept the welfare state, but in the past the Labour party has been more wholeheartedly committed to the principle than its opponent. Thus to some extent the new government is committed to a restorative role, building up health and welfare systems which it claims its predecessor allowed to run down.

Major efforts have been launched, for example, to rectify the housing shortage, which became a particularly emotional issue shortly before the election. In general, New Zealanders are well housed, but chronic shortages in certain urban areas aroused wrath throughout the country. New Zealanders tend to regard adequate housing as a natural right which should be available to all. Moreover, many are conscious of the relationship between sub-standard housing and social problems, particularly in large urban areas of mixed population like Auckland. A number of related moves have been made in the areas of community activity, ranging from the restoration of government grants for hobby classes to the establishment of a Ministry of Sport to help organize leisure time. At the same time the government is committed to the introduction of two new and costly social welfare schemes. The previous National administration had planned to introduce a wide-ranging new accident compensation scheme providing for a coordinated concept of safety, rehabilitation and wide entitlement to real compensation for personal injury, including everyone injured in motor accidents. Labour is extending this to cover accidents in the home. The new

government is also committed to the introduction of a universal superannuation scheme of a type already common in a number of West European countries. Plans for this latter project are still in an early stage but, taken together, the two schemes will represent a considerable extension of the role of the welfare state.

One urgent, highly emotional practical political problem which required prompt attention was the question of a projected South African Rugby Football team tour in 1973. This controversy illustrated both the degree of seriousness with which sport is regarded in New Zealand and the importance of pressure groups in this small, rather intimate, political system. New Zealanders, who enjoy a good reputation for racial harmony, have long been concerned about the system of apartheid in South Africa. As long ago as 1960, there was a movement to suspend sporting tours with South Africa unless that republic was prepared to accept Maoris as part of a New Zealand team without discrimination.¹ Although this principle was established, more recently there has been a strong protest campaign, at first largely student-organized but gradually spreading throughout the community, opposing any further rugby contacts with South Africa as long as that country selects its teams other than on merit.

During 1971 and 1972, pressure upon the government to cancel the tour was stepped up, and there were increasing threats that rugby matches would be disrupted if the tour took place. The Springbok Tour of Australia which led to a declaration of martial law in Queensland in 1971 lent credibility to such threats. The situation was further complicated because of plans to hold the Commonwealth Games in Christchurch at the beginning of 1974. Many black African nation members of the Commonwealth threatened to boycott the games if the New Zealand government allowed the rugby tour to go ahead, so that pressure was being brought to bear on both the domestic and international levels. Within the country, the question became a matter of principle for many people. Speaking for the previous National government, the then Prime Minister, John Marshall, refused to be intimidated by threats, and put the emphasis on the rule of law, pointing out that the Rugby Union and many New Zealand citizens wanted the tour to go ahead and they were legally entitled to enjoy their sport.

On the other side, the issue was presented as a moral question: whether sporting contacts by implication condone apartheid. Any rapid decision by Kirk on coming to power could have caused an uproar, but in a masterly display of political tactics, the new Prime Minister took the heat out of the question by repeatedly foreshadowing the ultimate probable cancellation of the tour without formally announcing it. After Kirk had appeared to exhaust every possible

¹ See Richard Thompson, "Community Conflict in New Zealand: A Case Study," in *Race*, Vol. III, No. 1 (November, 1961), pp. 28-38.

means of reaching a compromise and had issued a series of stalling announcements, the eventual cancellation of the tour by the government emerged as almost an anticlimax. In this sense Kirk rapidly emerged as a consummate politician.

A SMOOTH TRANSITION

At every level, in fact, the transition from the old to the new administration worked remarkably smoothly. After initial hesitation, even the share (stock) market rapidly rallied and has reached new heights under a Labour government determined to push ahead with industrial development. Indeed, in his annual report, the governor of the Reserve Bank suggested that the size of Labour's majority was a factor making for increased economic confidence in the country. Many of the changes between the two administrations are more apparent than real. For example, the Labour party Cabinet is elected by all the party's members of Parliament, and the leader is free only to allocate individual portfolios of office. In practice, however, this makes little difference, for given the small size of the parliamentary parties in New Zealand and the various factors which have to be taken into consideration (such as geographical representation, seniority of the party member, expertise, the need to have representatives both of the Maori race and of women in the Cabinet), the result is little different from what would be normally chosen by any alternative method. Similarly, although there have been a number of changes in patronage appointments to minor political posts in different parts of the country, the major public service posts are tenured, and are not subject to political changes. The only major immediate change was the abolition of a Royal Commission established by the previous government to look at health services.

The first hundred days of the new government, therefore, were remarkable less for what was done than for the way in which the government went about its business. There was a great deal of activity, with individual ministers engaging in largely uncoordinated policy-making. Many of these activities captured public interest, at the same time temporarily diverting interest to some extent from the fundamental problem of inflation. Thus, with the intention to introduce a second television channel and colored television at the end of 1973, the new government sprang a surprise when it proposed a major restructuring of the New

Zealand Broadcasting Corporation into two publicly owned but competitive television channels, together with a separate radio corporation.²

Among other moves there was a tightening of controls on overseas investment in New Zealand. Both major parties in New Zealand have been concerned in the past to ensure that overseas investment involved distinct benefit for New Zealand and was not merely concerned with profits from speculation. In general, it rapidly became clear that the economic policy of the new government would be moderately conservative despite its inheritance of record levels of overseas exchange earnings from the previous government. The key to the government's policies which emerged in the budget presented in June was the importance of economic management to advance the welfare of all New Zealanders.³ The Labour government is committed to the proposition that faster economic growth is the path to social welfare. The key to the success or failure of the new government, however, lies in its ability to control inflation. Here, in fulfillment of a preelection promise made to the trade unions, it precipitously abolished the unpopular Stabilisation of Remuneration Authority established by its predecessor, which had arbitrarily limited wage rises to seven per cent in an effort to combat inflation. Ironically, it subsequently introduced regulations providing first for wage increases of no more than five per cent unless the increase could be justified either directly from profits or greater productivity; and then, less than two months later, following a major breakdown of relationships among wage rates, it was forced to take emergency measures which completely negated this policy and virtually reintroduced the Stabilisation of Remuneration Authority abolished eight weeks earlier.⁴ In this sense, the new government, like its predecessor, appears, so far, to have no more than temporary expedients to offer, despite the fact that success in this area will determine the degree of confidence generally that the government receives.

In New Zealand terms, the new Labour government is emerging as a moderate active government pledged to restore the framework of the welfare state to its former glories, committed to policies of full employment, more strongly influenced than its predecessors in favour of safeguarding the environment, and of regional development.

Beyond this, as it seeks to deal with the intransigent policies of inflation, the new government has not yet shown any convincing signs of control as distinct from good intentions. It does, however, have one distinct advantage: the system of government controls which are often necessary in a small state where both competition and resources are limited are less of an anathema to Labour than to its predecessor. The National government did resort to price controls, dividend controls and other such devices where necessary, but

² See *The Broadcasting Future for New Zealand*. Report of the Committee on Broadcasting (Wellington: New Zealand Government Printer, 1973).

³ For details see *Appendices to the New Zealand House of Representatives 1973*, B.6. Financial Statement.

⁴ Even more ironical, parliamentarians who had just accepted a salary rise which averaged over 30 per cent found themselves disadvantaged by the government's sudden move which not only limited wage rises to 8.5 per cent but also limited this to a maximum of \$5.80 for a 40-hour week.

always with a certain reluctance and often rather late. The new government may be faced with fewer inhibitions.

FOREIGN POLICY

Some of the most dramatic activity brought about by the election of the Labour government has been in the field of foreign policy. There have been four major areas of initiative—relations with the People's Republic of China; Australia; nuclear testing; and relations with the South Pacific Islands. Recognition of the People's Republic of China was the first indication of a new course in foreign affairs. The previous Labour government (1957–1960) had been pledged in its election manifesto to recognize Communist China but, in the event, had taken no action. Norman Kirk, who also holds the portfolio of Minister of Foreign Affairs, swiftly corrected that situation when recognition was announced in a joint communiqué released simultaneously in Wellington and Peking less than a month after Kirk took office. In effect, the change was perhaps less dramatic than might have appeared. Before the election, the New Zealand Permanent Representative to the United Nations in New York, J. V. Scott, had had discussions with the Chinese Mission there about a proposal for a goodwill mission to China. When the new government came into office these talks were upgraded into instructions to negotiate for the terms for diplomatic recognition. Explaining the need for recognition, Kirk declared:

There are now four great powers involved in the affairs of Asia and the Pacific—the United States, Japan, China and the Soviet Union. Each is playing an active and independent role and each expects its friends to look after themselves more than in the past. . . .

In this situation it is essential for a small country like New Zealand to be in a position to deal directly with all four powers. . . .

. . . It is logical and sensible for New Zealand to recognise the People's Republic of China and enter into normal relations with it. There is no point in delaying about such a fundamental issue.⁵

Subsequently, this initiative was followed by a visit of the Associate Minister of Foreign Affairs (also significantly Minister of Overseas Trade), Joe Walding, to Peking. The decision to send a government minister rather than officials proved to be successful and the effect has been that New Zealand (which under the previous National government seemed to have been caught flat-footed by the change of attitudes to China

⁵ *New Zealand Foreign Affairs Review*, Vol. 22, No. 12, December, 1972, p. 16. For a more detailed review of the Labour government's foreign policy see the introduction by Norman Kirk to the Report of the Ministry of Foreign Affairs, *Appendices to the Journal of the New Zealand House of Representatives* 1973, A.1.

⁶ For the background to New Zealand's attitudes to nuclear testing see N. S. Roberts, *New Zealand and Nuclear Testing in the Pacific* (Wellington: New Zealand Institute of International Affairs, 1972).

brought about by President Nixon's visit) speedily recaptured the initiative.

The initiatives in respect to Australia, New Zealand's nearest neighbour, have somewhat surprisingly proved less satisfactory. With the exception of the period 1957–1960 in New Zealand, both Labour parties had been out of power for 23 years. And the two leaders wasted little time in coming together following their victories. Prime Minister Gough Whitlam visited New Zealand in mid-January, 1973, amid high hopes of new levels of Australian/New Zealand cooperation. Despite agreement on generalities, however, it rapidly became clear that cooperation in the future was unlikely to be very much closer than it had been in the past.

Such questions are often relative, because there are a number of very close ties between Australia and New Zealand which both countries tend to take for granted. There is, for example, a limited Free Trade Association between the two countries (the NAFTA agreement); there has always been close cooperation on defense; nationals of both countries travel freely between the two, the only exception in the past having been New Zealanders of non-European extraction—an anomaly quickly corrected by the Whitlam visit. Nevertheless, hopes for still closer trade ties and perhaps greater coordination in defense policies have not materialized. Both the Whitlam meeting and subsequent events, in particular the decision of the Whitlam government to alter its tariff structure without any prior reference to New Zealand, suggest that relations will remain reasonably close but quite distinct.

This close but distinct relationship is exemplified by the attitudes adopted by the two countries toward French nuclear testing in the Pacific.⁶ Prime Minister Whitlam originally seemed to have been rather more in favour of an approach through the International Court of Justice at The Hague, while Norman Kirk had talked more in terms of sending a New Zealand warship directly into the test area and using a conference of interested nations. In practice, both countries applied through the International Court at The Hague to restrain French testing, and Australia provided a supply ship which did enable two New Zealand frigates to operate off Mururoa Atoll with a Cabinet minister on board during the testing period. The Kirk style of militant diplomacy over the French tests provides an interesting innovation in New Zealand foreign policy. At no stage did anyone seriously be-

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W. Keith Jackson lectured in history and political science at the University of Otago, then was appointed to the Chair of Political Science at the University of New Zealand. In addition to lecturing on radio and television, he is the co-author of *New Zealand* (New York: Walker and Co., 1969).

"If the Labor government stays together and can hold onto office, if the shape of Australian federalism can be sufficiently changed to permit the accomplishment of its reform program, and if the international scene remains stable enough to permit Australia to develop her position of regional leadership and middle power influence, Australia's future looks bright indeed."

Australia Revisited

BY RICHARD H. LEACH

Professor of Political Science, Duke University

We are a young giant stirring,
Unswerving, reaching for the stars,
Bursting the chain—with each growing pain
Casting off doubt—determined to shout
"Hey world, here we are!"

From an Australian TV commercial for
Tubemakers, a producer of steel pipe (1973)

In 1964, DONALD HORNE wrote an anecdotal book about Australia entitled *The Lucky Country*. By 1970, he found it necessary to write another, this one called *The Next Australia*. In his preface to the later book, he observed that he:

had not intended to write a new book about Australia. But there have been more changes since I wrote *The Lucky Country* than, passing from one year to the next, anyone told us about. . . . Changes that began, not always very noticeably, in the late 1960's might mean that, by 1980, Australia will have gone through one of its greatest decades of change.¹

Were Horne to write today, he would have even more justification for his decision, for Australia has recently embarked on a new course, and her progress deserves careful attention.

Her new course, like much of her past, was not entirely of her own choosing; from her birth, Australia has been sharply influenced by far-off events and remote nations. Her new stance is in large part the result of Britain's decisions to withdraw from her Asian

defense commitments on the one hand and to enter the European Common Market on the other. Otherwise, Australia would have remained a little longer in her happy state as a "lotus land," as the late Prime Minister Harold Holt once put it—her people concerned primarily with:

the simple pleasures of sport and the outdoors [as well as] the larger tranquillities of freedom, prosperity, stability, and very little responsibility for the plight of the far-off, troubled rest of the world.²

But Britain in effect cut Australia off, and she had perforce to look more closely where she was heading.

Yet the British action might not have forced Australia to change direction if her relationship with the United States had not been undergoing alteration simultaneously. The relatively little contact Australia had with the United States prior to World War II was replaced during and for many years after that war by the virtual identification of Australian external interests with those of the United States. To be sure, no one will ever deny that the Battle of the Coral Sea probably saved Australia's national life, and for that (and for the rest of the Pacific fighting) the Australian people were grateful to the American armed forces. But the Americanization of Australia—so to speak—which was set in train after the war—in terms of defense arrangements and hardware, of economic development and investment, of living styles and culture,³ and most of all, of involvement with the United States in Vietnam—was too much to take. There was inevitably a reaction, delayed though it was, a reaction which undoubtedly contributed strongly to the victory of the Australian Labor party in the 1972 Australian general elections. Before that election, Gough Whitlam, the Labor party leader, had pledged that he would develop "a more mature and less adulatory relationship with the United States."⁴

More than anything else, of course, it was the outcome of those elections which opened the door to a

¹ Donald Horne, *The Next Australia* (Sydney: Angus and Robertson, 1970), p. v.

² William H. Forbis, comp. and ed., *John Gunther's Inside Australia* (New York: Harper and Row, 1972), p. 34.

³ C. L. Sulzberger once commented: "An imitation of the American way of life crept in. Airlines and television got better. Trains got worse. Motels, barbecues, and U.S. advertising methods flourished." Quoted in *The Age* (Melbourne), March 18, 1973, p. 10.

⁴ Alan Fitzgerald, "Labour's Whitlam fashioning a new posture for Australia," *International Perspectives*, May/June, 1973, p. 32.

new course for Australia. Since 1949, Australian national affairs* had been conducted under the powerful aegis of a Liberal-Country party coalition, first, from 1949 to 1966, under Sir Robert Menzies, and then, in rapid succession and declining force, under Harold Holt, John Gorton, and William MacMahon. No one can ever accuse the Liberal Prime Ministers of not providing good management for Australia—they did that. Moreover, they were for the most part cautious and highly dedicated men. But evidently they did not keep their fingers on the pulse of the Australian public to catch its changing beat; or, if they caught the beat, they were unable to redefine Australian policy interests sufficiently to adjust to it. In any case, they failed to understand the increasing national doubt about the validity of conscription and its use to support the Vietnam war, and they underestimated public concern about the gradual economic takeover of Australian business by foreign firms. These two became the burning issues of the campaign, which ended with the fall from power of the coalition in December, 1972, after 23 years in office. "One has to go back to 1929 to find an election comparable with that of 1972, in that Labor gained office by defeating a government at the polls."⁵

Political pundits will be assessing the reasons for this turnover for a long time to come, but the rapid rise of Australian nationalism was one important cause.⁶ Though not so self-conscious in their search for identity as the Canadians, the Australians, like the Canadians, were unable to define themselves clearly, because they were subject for so long to British hegemony and then caught in an ambivalent infatuation with the United States. Donald Horne chided Australians as late as 1970 for being content to imitate instead of acting creatively as members of a nation in its own right.⁷ Admittedly, for a long time, it was hard for Australians, dependent on others as they were from the outset, to find anything distinctively their own. Thus an Australian could write retrospectively in 1973 about the lack of Australian national heroes. Only "[b]ushrangers and jockeys stand [a] chance."⁸ But the rapid postwar economic development of the country and its attraction for thousands of new citizens from overseas gave old and new Australians a sense of self-appreciation they had been

lacking, and the new Australians themselves provided an impetus which had not been felt before. The resulting new approach helped to elect a party which seemed to stand in opposition to the established values of the past in general and in particular to the continuation of Australian conscripts fighting in Vietnam.

A NEW MOOD

The normal reaction of a party long out of power and coming into office as the result of a newly felt national consciousness would seem to be, in any democratic society, to introduce a series of changes as rapidly as possible. In Australia, the Labor government began to act almost as soon as it was sworn in. Indeed, in anticipation of victory and in order to help create a winning climate, Prime Minister Whitlam had held secret, detailed discussions with senior civil servants and others in the months before the election, and a number of actions had been agreed upon. In some instances personnel changes had already been decided: for instance, well before his December victory, Whitlam had chosen an ambassador to China once she was recognized. It was thus possible to jump into action at once. Military call-ups immediately halted; the National Service Act was suspended; and all arrests and prosecutions for violation of the act were stopped as well (as in the United States, there had been a wave of draft-dodging to protest Australia's involvement in the war.) Australia, Prime Minister Whitlam asserted, would be less militarily oriented.

In further affirmation of the new mood of nationalism, the Prime Minister abolished the custom of nominations by the Australian government for British knighthoods and other royal honors and initiated instead the development of Australian honors and awards; declined the traditional appointment of Australian (like other Commonwealth) Prime Ministers to the Privy Council in London; announced a competition for a new Australian national anthem to replace "God Save the Queen"; and requested that royal tours be dropped in favor of unofficial visits. None of these moves should be thought of as anti-British, any more than halting conscription was anti-American. Rather, both moves were pro-Australian. As one Australian journalist put it, "For Australians in general it was the beginning of a new experience. They had elected to power a government . . . that would evolve a new image for Australia."⁹ To do so, it was necessary to move away from both the United States and Britain, to avoid appearing to be "a satellite" of either.¹⁰

That move did not constitute a rejection, however. As Whitlam declared in Washington, "We are a friend and a partner of the United States, particularly in the Pacific." And although the Labor Attorney General was quoted in London in January, 1973, as asking Britain to help Australia get rid of the last remaining

* The Australian Labor party has consistently controlled state governments, except for those in Victoria and South Australia.

⁵ J. B. Paul, "Political Review," *The Australian Quarterly* 45: 92 (March, 1973).

⁶ See the series of four articles on "The New Nationalism," in *The Australian* (Sydney), April 9-12, 1973.

⁷ Horne, *op. cit.*, p. 230.

⁸ Jon Cleary, *Ransom* (New York: William Morrow and Co., Inc., 1973), p. 58.

⁹ Fitzgerald, *op. cit.*, p. 30.

¹⁰ The phrase of Prime Minister Whitlam in his speech to the National Press Club in Washington, July 30, 1973, quoted in *The New York Times*, July 31, 1973, p. 3.

"relics" of colonialism as soon as possible,¹¹ the government has not pulled away further. An Australian republic is still far in the future. Too many old Australians—and many of the new as well—have strong ties with Britain, in tradition, in education and scholarship, in commerce and industry, and especially in family connections—ties too strong to permit Australia to cut the British connection easily. In recognition of the continuing strength of that connection, in April the Prime Minister himself went to London as a guest of the Queen at Windsor Castle. It might also be noted that intimate Australian-American connections have also developed over the years. Thus properly construed, what the Labor government has done is to put Australia's major relationship "on a more realistic and equal basis."¹²

Two other important areas of immediate action should be noted. The new Labor government established diplomatic and trade relations with Communist China, recognized North Vietnam (and East Germany), and received approaches to establish normal relations from North Korea, thus clearing the way for a stronger assertion of Australia as an Asian power. For a while, the new government even showed interest in attending a conference of non-aligned nations, but in the end nothing came of the idea.

At home, the government pledged itself to the principles of open government and greater public access to official information and documents, began a review of the Federal Electoral Act with an eye toward giving 18-year-olds the vote, and dedicated itself to the improvement of the internal racial situation. It abolished discriminatory laws against Australia's 116,000 aborigines, opening the federal public service to them, and reforming the white-administered aboriginal educational system in order to emphasize the native aboriginal culture. Action has not followed action as rapidly as it did during the first six months, and the actions themselves have become less dramatic. Yet the Labor government has continued to initiate changes in Australian life and to provide in some cases for their absorption into law.

THE LABOR VICTORY

Of course, it is too soon to project a full agenda of change based on these first indications. It should be noted, first of all, that the Labor victory, while comfortable, was not overwhelming. The Australian Labor party received 67 seats in the controlling 125-member House of Representatives (in Australia the

¹¹ Senator Lionel Murphy, quoted in Australian News and Information Bureau, *Australian News Weekly Roundup*, March, 1973, p. 3.

¹² "The Canberra Message," *Commonwealth*, April, 1973, p. 37.

¹³ Paul, *op. cit.*, p. 93.

* The Prime Minister was overruled in his decision to export 30 prize Merino rams to Communist China.

¹⁴ *The Economist*, April 28, 1973, p. 72.

Senate is not a co-equal body as it is in the United States), the Liberals, 38, and the Country party, 20. Thus the Labor party's hold on office can hardly be said to be tight. Moreover, "there were swings against Labor in South Australia, Western Australia and outlying Queensland."¹³ In addition, Australian government is parliamentary in form, featuring collective Cabinet responsibility, and already Whitlam has found that his Cabinet is not wholly his to command.* No doubt he now understands that he was not the only one who gained office after years in the wilderness; but many other Labor party leaders as well. After so long a drought, they cannot be expected to serve as silent partners. Finally, the Australian Labor party, like the British party after which it is modeled, decides its policy by majority vote at party conferences. Thus even Prime Minister Whitlam and his Cabinet are subject to the higher authority of the conference, which is representative of the party as a whole. The conference meets every other year. The 1973 conference met in July and evidently decided to give the Labor government a honeymoon, for it did not question any of its acts. Major policy decisions dealt with the necessity of new powers for the federal government, of making an inquiry into multinational companies, and of supporting international sanctions against South Africa. To judge from past experience, however, party conferences do not hesitate to call party leaders to task, and Whitlam must be well aware of the possibility in 1975.

It might also be noted that the Australian Labor party's role as a critic for the past 23 years accustomed it to an easier role than that of a governing party. The ALP has developed a complete left-wing agenda for reform.

The list . . . includes a national health service; a 35-hour week; equal pay for women; a nationalised insurance industry; a government-run oil business; a huge programme of social welfare spending [including a national pension system and guaranteed incomes] . . . and increased public works. On top of this there is the buy-back-Australia line to be financed; foreign investment discouraged; takeovers barred; and the Australian Industrial Development Corporation allowed [funds] to get the government into industry. All expensive stuff.¹⁴

Whether the Labor party can overcome the Australian people's reluctance to pay higher taxes in order to convert these platform items into reality remains to be seen.

It may also be significant that for the first time in a generation, the government in power in Australia is urban-oriented. The Liberal-Country coalition stayed in office for so long in large part because it catered to the Australian farmer and countryman. It paid relatively little attention to the problems of industry and of the 84 per cent of the Australian people who live in cities. The expectation of both groups is thus high;

they will be watching the Labor government's actions with an appraising eye.

It may be that the greatest stumbling block of all in Labor's way will be what *The Economist* has referred to as "the antique powers of the individual states."¹⁵ Under the Australian constitution, internal development is chiefly the responsibility of the six states.¹⁶ To be sure, the Australian government has assumed a larger planning and financial role over the years, even as has the national government in the United States. But the federal balance is still an important issue in Australia, especially among politicians—the states are the units on which the national party system is built—and their diminution, long a Labor party objective in the abstract, probably will not be very easy in actual fact. As *The Economist* concluded, "Mr. Whitlam's programme can get off the ground only with a substantial shift of power to Canberra."¹⁷

The Labor government has already begun the attack on state power, obliquely by attacking the guarantee of states' rights in the Statute of Westminster of 1931 (the fundamental law of the Commonwealth), and directly by beginning to supervise the spending of federal funds given to the states. It has also challenged the rights of the states to control offshore waters and the seabed and can be counted on to follow up Whitlam's suggestion to the 1973 party conference that company law, family law, defamation, and shipping and navigation are additional fields which could easily be placed under federal control. The states, especially those with non-labor governments, will undoubtedly give battle. The outcome would seem to be far from favorable to the Labor party.

If the states are still an unknown factor in the Labor equation, so is the Labor party's own constituency. For all is not serene within the party itself. Taking notes in late 1969 and 1970, John Gunther observed that Whitlam might succeed in being elected to office but that he might not be able to "reap the rewards of his work. A rival has risen. He is Robert James Lee Hawke . . . president of the Australian Council of Trade Unions"¹⁸ and just elected on July 6, 1973, as president of the Australian Labor party itself. In support of Gunther's observation, *The Economist* recently noted that:

No tougher problem faces the Australian Labor Party than labour. A confrontation between Mr. Whitlam and the unions is still at least a year away [as of April, 1973], but it is going to be a dandy when it comes.¹⁹

The first threat to the Labor government from the

unions was issued in May, 1973, when the unions pushed legislation to alter the traditional arbitration method of settling industrial disputes in Australia. The unions want to abandon that method and follow the British and American pattern of bargaining, strikes and inflationary settlements. If the unions win the battle, it might be Hawke and not Whitlam who triumphs.

Given all these facts, it is not surprising that Whitlam has seemed to emphasize the international arena. In this respect, he resembles United States President Richard Nixon who, elected with what seemed to be a mandate from the people, encountered entrenched opposition to his domestic programs and so chose to concentrate on international affairs. As Whitlam said at his first press conference after being sworn in, "The change of government . . . does provide a new opportunity for us to reassess a whole range of Australian foreign policies and attitudes." And in Washington, after his call on President Nixon, he declared that "for 20 years I have been appalled at the damage we of the West have done to ourselves and to other peoples by our Western ideological preoccupations."²⁰ Thus his emphasis on foreign policy is not remarkable.

RAPPROCHEMENT WITH NEW ZEALAND

In addition to the actions already cited, and in the long run probably even more significant, is the rapprochement with New Zealand which Prime Minister Whitlam has undertaken to achieve. Despite the many similarities between the two countries, Australians have been so self-centered that New Zealand has generally been at the periphery of their interest. And New Zealanders for their part have seen themselves as quite different from Australians and have never been interested in developing close ties except in certain obvious foreign policy and defense areas—and, in the old days, ganging up on Britain. However, Britain's entry into EEC has potentially an even harsher impact on New Zealand than on Australia, and with the elevation in both countries of Labor parties to power, suddenly a different ball game seems about to start. Soon after taking office, Whitlam spoke publicly of forming a close working alliance with Norman Kirk, Prime Minister of New Zealand, and Kirk responded

(Continued on page 231)

Richard H. Leach is a member of the Commonwealth Studies Group at Duke University. Among other books, he is the author of *Interstate Relations in Australia* (Lexington, Ky.: University Press of Kentucky, 1965), *Contemporary Canada* (Durham: Duke University Press, 1968), *American Federalism* (New York: W. W. Norton, 1970) and, with A. T. Mason, *In Quest of Freedom* (Englewood Cliffs: Prentice-Hall, 1959). In 1975, he will become a Senior Scholar at Australian National University.

¹⁵ *The Economist*, April 28, 1973, p. 72.

¹⁶ For a discussion of the importance of the states in Australian government, see Richard H. Leach, "Australian Federalism," *Current History* 62: 153 (March, 1972).

¹⁷ *The Economist*, April 28, 1973, p. 72.

¹⁸ Forbis, *op. cit.*, p. 109.

¹⁹ *The Economist*, April 28, 1973, p. 76.

²⁰ *The Wall Street Journal*, July 31, 1973, p. 1.

"A case can be made for a fairly substantial list of accomplishments under the Marcos martial law, but can a case be made for Filipino democracy? How high a price should any country pay for such accomplishments? And who should set the price?"

The Philippines after Democracy

BY RICHARD BUTWELL

Professor of Political Science, State University of New York at Brockport

THE FIRST OF THE WESTERN colonies anywhere in the world to gain its independence after World War II was the Philippines, which chose to seek to develop its political institutions along the lines of the government of its most recent imperial ruler, the United States. From July 4, 1946, to September 22, 1972, through six Presidents (all of them popularly elected), the Philippines pursued the pathway of democratic political development. Filipino democracy was by no means perfect (and it was open to serious question whether Presidents and legislators, once they had gained the people's mandate at the polls, really ruled in their interest). But the Philippine political system was still the most open and free in all Southeast Asia, which was an extraordinary accomplishment in a part of the world where soldiers have largely taken over from civilians as rulers.

Philippine democracy, which had seemed to be in generally good health despite a variety of persisting problems,¹ was dealt a near-fatal blow on September 22, 1972, when two-term President Ferdinand E. Marcos,² constitutionally ineligible for further reelection, proclaimed a state of martial law. Political last rites were administered in January, 1973, when a new constitution, much Marcos-influenced, was proclaimed after its approval by some 35,000 newly and hastily created "citizens' assemblies" (when it appeared pos-

¹ An outstanding critique of the pre-martial-law Philippine political system, which found more strength than weakness in the system, is H. A. Averch, J. E. Koehler, and F. H. Denton, *The Matrix of Policy in the Philippines* (Princeton: Princeton University Press, 1971).

² For the authorized 1965 campaign biography of Marcos, see Hartzell Spence, *For Every Tear a Victory* (New York: McGraw-Hill, 1964).

³ For a detailed analysis of the events leading up to the January, 1973, proclamation of the new constitution, see the present writer's "The Philippines Since Marcos," *Current Affairs Bulletin* (Australia), May, 1973.

⁴ One such knowledgeable visitor was Frederic S. Marquardt, pre-World War II editor of the weekly *Philippine Free Press* (suppressed by Marcos since September, 1972). Marquardt's favorable account of the Marcos accomplishments since martial law originally appeared in the daily *Arizona Republic*, which he edits, and was reprinted in *Expressweek* (Manila), May 17, 1973.

sible that an open referendum might reject the document). Philippine democracy finally died in late July, 1973, when 90 per cent-plus of Filipino voters endorsed President Marcos' continued retention of office, illegal after December, 1973, under the old constitution (which is why the old constitution had to be replaced).

The July vote—unlike previous Filipino balloting for Presidents, legislators, and local officials from 1946 through 1971—was a no-alternative affair of the sort that has become typical of many of the "new states" throughout the world. Between September, 1972, and July, 1973 (but particularly before the proclamation of the new constitution in January, 1973), there was always the possibility, however remote, of a rallying of anti-Marcos elements to force the Filipino democratic leader-turned-dictator to change his course.³ The July mock election made it official, however: Philippine democracy was dead (as Marcos openly admitted), and the increasingly powerful Filipino leader celebrated his success by announcing that his pre-martial-law number-one-rival, Senator Benigno S. Aquino, Jr., detained since September, 1972, would be brought to trial on charges of murder and subversion.

How—and why—did the Philippines apparently suddenly depart from the path of democratic political development? And is the Philippines a better place to live as a result of this change (as Marcos, a quite substantial number of Filipinos, and some foreign visitors⁴ have claimed)?

President Marcos justified his proclamation of martial law in September, 1972, on deteriorating conditions in the country, particularly an alleged rise in the Communist insurgency in northern Luzon and the mounting Muslim rebellion on Mindanao and adjacent islands in the south, as well as the persistingly high crime rate. Only three days before Marcos' action, however, the army had told the National Security Council that there had been no notable increase in insurrectionary activity by the "New People's Army"

(the Philippines' "Maoist" Communists). The Communists had also been blamed by the President 13 months earlier when grenade explosions disrupted the 1971 opening election rally of the opposition Liberal party (killing 96 persons and injuring all 8 of the Liberal senatorial candidates). In less than three hours (without the benefit of significant investigation), Marcos blamed the Communists for the grenade attack and subsequently suspended the writ of habeas corpus.⁵ Some Liberals—and others—thought that henchmen of Marcos were responsible (and said so).⁶

Whoever was responsible, however, the incident provoked a national wave of sympathy for the Liberals, who won six of the eight seats at contest in the 1971 off-year election. There were many, in addition, who expressed their dissatisfaction with President Marcos by voting against his *Nacionalista* party's candidates. The vote outcome by itself was not all that important for Marcos—if he intended to step down as his country's political leader when his term expired at the end of 1973 (as required by the constitution). But it was widely believed that Marcos had no intention of relinquishing high office and power, if he could avoid doing so. The 1971 electoral rejection of the *Nacionalistas* and the widespread alienation from Marcos' leadership that it probably reflected would not make the Philippine President's task any easier.

The 1971 *Nacionalista* voting defeat came at a particularly decisive time. In an earlier election the same year, Filipinos had chosen delegates to a constitutional convention to draw up a new basic law for the country—one that might lay the basis for a more equitable and less violent society. If the convention changed Philippine government from a presidential to a parliamentary one; however, then Marcos might still remain his country's leader (as its Prime Minister). But there was strong anti-Marcos feeling among some of the delegates, as in the country as a whole. And the new constitution would have to be submitted to the people in a referendum, and could be defeated if it were regarded merely as the means for perpetuating the power of President Marcos.

By June, 1972, the convention had adopted the par-

⁵ For a review of the grenade attack a year later, see the lead editorial in the *Manila Times* for August 21, 1972. The *Times*, which was later suppressed under martial law, carried a large advertisement on September 21, 1972, on the eve of the Marcos takeover, linking the August, 1972, incident to the subsequent wave of political bombings in and about Manila. The ad appeared over the signature of former *Nacionalista* and strong civil rights advocate Senator Jose W. Diokno, who was detained only two days later by Marcos.

⁶ One of these who was subsequently detained, Senator Benigno S. Aquino, Jr., discussed the charge with the writer at length in Manila in May, 1972.

⁷ See the *Manila Times* of September 12, 1972.

⁸ *Manila Times*, September 17, 1972.

⁹ See *Manila Times*, September 20 and 21, 1972—on the eve of Marcos' proclamation of martial law.

¹⁰ *The New York Times*, August 24, 1973.

liamentary form of government to replace the existing presidential system (modeled after that of the United States), but not until after evidence of vote-buying on the part of Marcos and his beautiful and politically ambitious wife, a member of the important Romaldez dynasty in the central part of the country. Anti-Marcos sentiment following the June decision of the convention probably represented the genuine wish of most of the delegates for a different kind of government. It took the form of a move to ban the President from becoming Prime Minister under the new constitution. The "ban-Marcos" movement seemed to be growing in September, 1972, on the eve of the proclamation of martial law.⁷

There was also an increase, in the weeks preceding the establishment of martial law, of seemingly politically motivated acts of violence, especially in Manila, where the government is located (although the capital officially is adjacent Quezon City). The Communists were blamed by President Marcos for this violence (which resulted in surprisingly few injuries), but Senator Benigno S. Aquino, Jr., the Liberal party leader, and others suggested that Marcos himself was behind the incidents in order to justify the enactment of martial law. Martial law was in fact proclaimed on September 22, 1972, in the immediate wake of an unsuccessful apparent attack on Defense Secretary Juan Ponce Enrile.

Before martial law was established, Marcos had gone so far as to allege a Liberal-Communist plot against the government⁸ and to accuse Aquino, favored to win the then expected 1973 presidential election, of illegal contacts with the "New People's Army."⁹ Aquino, among others (journalists, businessmen, and professors as well as politicians), was jailed in September, 1972, and 11 months later, in August, 1973, the Marcos government announced that Aquino would be tried for subversion and murder. According to Marcos, Aquino had given both arms and money to the "New People's Army" at different times.¹⁰ Whether or not the charges were true, they very conveniently eliminated an extremely popular political figure and the leader most likely to have succeeded Marcos as head of the Philippine government.

When President Marcos declared martial law, the constitutional convention had not yet finished its work on the whole of the proposed new basic law. The existing state of martial law—with press freedom abandoned in a country that formerly had the freest (if not always the most responsible) press in all Asia—was hardly the best setting for charting a new political direction for the nation. Marcos, moreover, put considerable pressure on the convention delegates to complete their work by November, which they did, promising them membership in an interim assembly that would precede the setting up of the new Parliament. With the new constitution in hand and with his most

outspoken opponents in detention (including tough nationalist Senator Jose W. Diokno, still jailed, as well as Aquino), the President was prepared to proceed with a referendum on the basic law (which he initially felt confident that he would win).

Marcos was not to triumph quite so easily, however. In December, 1972, Senator Lorenzo Tanada, probably the outstanding civil rights lawyer in the Philippines and a highly praised student of United States Supreme Court Justice Felix Frankfurter (when he was still on the faculty of Harvard Law School), took the lead in petitioning the Filipino high court to prohibit the referendum. Tanada said that the proposed new basic law had been improperly adopted, was anti-democratic, and could not be freely debated under martial law. Seeking to avoid a possible unnecessary clash with the Supreme Court, Marcos postponed the date of the referendum and lifted restrictions that had been hindering free debate on the document.

Opponents of Marcos—and, less so, of the constitutional change itself—took advantage of the freer climate to point out various problems posed by the new basic law, particularly the fact that it would incorporate all the martial law decrees and that Marcos would continue as virtual dictator during an interim period before parliamentary government was established. The popular response to his foes shocked Marcos, and he reimposed restrictions on debate on the constitution and hastily convened 35,000 "citizens' assemblies" throughout the land—in emulation of the *barangays* (or tribal meetings) that used to take place before the islands were conquered by Spain. Fifteen of the 18 million Filipinos participating in the assemblies approved the new constitution, according to the government, and on January 17, 1973, President Marcos proclaimed the new basic law in effect.

The Philippine President did more than just declare the new constitution to be the law of the land, however. Congress was scheduled to resume on January 22, as it was required to do under the old constitution, and Marcos thus prevented a forum from coming into being from which his new bid for an extension of his power could be attacked.¹¹ The new Parliament was not to have been convened immediately anyway (it had not, of course, even yet been elected). But Marcos also suspended the interim assembly, comprising members of the constitutional convention plus sitting Senators and Representatives, that was to have functioned until the new parliamentary order was set up. There were not to be new elections, moreover, for another seven years, the largely manipulated citizens' assemblies having responded affirmatively to the Presi-

dent's request for such a voting moratorium. The Supreme Court, meanwhile, reluctantly agreed that there was "no further obstacle" to the new constitution, although a majority believed that the Marcos basic law had been illegally adopted, since it failed to follow the procedures for constitutional change outlined in the old constitution.¹²

THIRD—AND FINAL—STEP

Martial law was President Marcos' first step in moving to remain as the Philippines' political leader after 1973; his second step was the "adoption" of the new constitution. The third and final act was the July 27–28, 1973, national referendum on whether Marcos should remain in office beyond the end of the year. 18,052,016 Filipinos (90.67 per cent) voted "yes"; 1,856,744 (9.33 per cent) said "no."¹³

The July referendum was an essential step in President Marcos' bid to retain power and to legitimatize his self-chosen role as dictator of the Philippines. As Marcos himself rightly saw it, he still had to get through 1973 to be politically safe. Even the Supreme Court, which did not block adoption of the new constitution because it could not do so, said in effect that it was illegal. If this were the case (and enough, or the right, people thought so), Marcos could still be in political trouble. Former Senator, Foreign Secretary, and presidential candidate Raul S. Manglapus, in voluntary political exile in the United States, was directing a campaign in mid-1973 among the large Filipino community in the United States urging Philippine military leaders not to support President Marcos after December 31, 1973. Instead, Manglapus (and others in the Philippines and among Filipinos abroad) urged the soldiers to play a catalytic role in the restoration of democracy in their country. Marcos needed the "90 per cent-plus" July vote to legitimatize, as much as any such maneuvered balloting could do, his retention of office beyond 1973.

The manipulated character of President Marcos' January recourse to the hastily created and neo-traditional *barangays* and the much managed July referendum do not mean that martial law is unpopular in the Philippines. It is, of course, very unpopular with the politicians, journalists, and businessmen who have been deprived of their careers and often of much of their wealth; some, indeed, still remain in jail, in danger of their very lives in what is hardly an impartial system of justice today. But a seemingly large number of Filipinos approve of much of what President Marcos has done—to control crime, to disband "pocket" (or private) armies of local bullying politicians, to advance land reform, and to get the country "on the move" economically. "I like what the man has done, but I still do not like him," a Filipino businessman said in mid-1973—summing up what apparently a substantial number of his countrymen think

¹¹ For an analysis of the significance of the closing down of the Congress, see Harvey Stockwin, "Farewell to a Lively Legislature," *Far Eastern Economic Review*, February 19, 1973.

¹² See *The New York Times*, April 3, 1973.

¹³ *Philippine Daily Express*, August 4, 1973.

about the "new Marcos" as contrasted with his "New Society."¹⁴

In late July, 1973, on the eve of the national referendum on whether Marcos should remain in office beyond the end of the year, the *barangays*, in a six-question national poll, responded affirmatively to the government proposal that a "Legislative Advisory Council" should be created in place of the "interim National Assembly," which, according to the new constitution, was to serve as the country's legislature until an elected parliament came into existence.¹⁵ The decision to create such a new body was significant for three reasons: it reflected Marcos' continuing fear of any even pseudo-legislative institution in which some of his past political foes might participate, it indicated the President's realization nonetheless that he could probably not rule effectively without the appearance of broader consent, and it demonstrated his willingness to change the new constitution through resort to the *barangays* (not a mode of alteration anticipated by the constitutional convention).

THE ECONOMY

The Philippine economic situation was both bright—and politically dangerous—a year after the establishment of martial law. For several reasons, including unexpectedly high world prices for the main Filipino exports, the economy was booming, with the highest foreign reserves in the 27-year old post-colonial history of the country. At the same time, rice, the staple diet of most Filipinos, was in shorter supply than at any time during the same period,¹⁶ the result primarily of too much rain in 1972 and not enough (and a late) rainfall in 1973. The Marcos government had more than enough money to buy all the grain it needed, but there was a world-wide shortage of rice, as well as other food.¹⁷ There was fear, indeed, within the government in mid-1973 of possible food riots, which, together with the Communist rebellion in the north and the Muslim insurgency in the south,

¹⁴ This point was made to the author in Manila in June, 1973. For an analysis of Filipino businessmen's favorable posture toward the Marcos regime, see *The New York Times*, January 21, 1973.

¹⁵ *Philippine Daily Express*, July 31, 1973.

¹⁶ The *Washington Post* of August 16, 1973, reported the imposition of rice rationing in the Philippines to meet the critical shortage of grain.

¹⁷ See the column of Marcos spokesman Primitivo Mijares, "PM Views," in the *Philippine Sunday Express*, August 12, 1973.

¹⁸ *Philippine Daily Express*, July 7, 1973.

¹⁹ *Ibid.*, May 28, 1973.

²⁰ *Ibid.*, July 8, 1973.

²¹ *Bulletin Today* (Manila), April 15, 1973.

²² *Philippine Daily Express*, July 15, 1973.

²³ *Bulletin Today*, April 29, 1973.

²⁴ *Philippine Daily Express*, April 13, 1973.

²⁵ For example, the Chase Manhattan Bank, whose prediction of a faster growth rate for the Philippine economy was reported in *Bulletin Today* for June 22, 1973.

²⁶ See *Far Eastern Economic Review* (Hong Kong), March 12, 1973.

could necessitate the wide dispersal of army units, and thus provide the opportunity for Marcos' enemies to move against him.

The rice problem was particularly unfortunate because it tended to obscure the otherwise extremely healthy state of the Philippine economy. Inflation had been checked to a major degree,¹⁸ and the cost of most foods was considerably below that of other Asian countries.¹⁹ The favorable general Filipino economic situation was partly the result of forces beyond Philippine control (such as world prices) as well as various Marcos policies (like import restrictions). The dramatic quality of the improvement in the nation's economy was illustrated by the mammoth 415 per cent increase in export earnings (over the corresponding period a year earlier) in the nine-month period ending in July, 1973.²⁰ Rises of 100 per cent (or more) in prices for exports like copra and tobacco²¹ helped to produce this fantastic growth, which reflected itself in record foreign exchange holdings of \$655 million as of mid-July 1973.²² A further 39 per cent growth in the country's exports was predicted by the government for 1973 as a whole, based on shipments abroad in the first part of the year.²³ The Philippine economy itself increased by only 4.3 per cent,²⁴ a satisfactory but not outstanding rate, in 1972, but foreign observers (as well as the Philippine government) predicted more rapid growth in the future.²⁵ Seeming to support such an anticipation was the boom in foreign investment in the Philippines in the first half of 1973, reflecting the confidence of international companies in the country's economy and, presumably, its political leadership.²⁶

INSURRECTIONARY ACTIVITY

The Philippines faced two insurrections in 1973: one persisting (and possibly expanding and likely to flare anew in the future even if currently contained) and the other apparently contracting. The first, and probably most lasting, rebellion was that of the alienated Muslims of the south. The other was the Communist insurgency in the north of Luzon island. Ironically, it was the Muslims rather than the Communists who seemed to receive the greatest support—material as well as moral—from abroad.

The Muslim rebellion was located on the big island

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Richard Butwell is Chairman of the Department of Political Science at the State University of New York, College at Brockport. Among other works, he is the author of *U Nu of Burma* (Stanford: Stanford University Press, 1969) and *Southeast Asia Today and Tomorrow* (New York: Praeger, 1969). His most recent visit to Southeast Asia was made in the summer of 1972.

"In this stage in Micronesia's evolution . . . despite its own flag, its own citizenship, and its own Micronesian Day (July 12) a Micronesian nation does not exist."

Diversity in Micronesia

BY DONALD F. SMITH
Associate Professor of Education, George Mason University

THE POLITICAL UNITY of Micronesia, the United States Trust Territory of the Pacific Islands, has always been fragile, to say the least, but the recent turn of events in the Marianas and Marshall Islands has completely undermined the official American policy of maintaining the area as a political entity.

The announcement last year by the Marianas District Legislature that it was creating its own political status commission to enter into negotiations with the United States regarding its political future was merely another indication of the gulf that exists between the other districts of Micronesia and the Marianas.¹ United States negotiators, meeting in Washington, D.C., with members of the Congress of Micronesia's Future Political Status Committee, announced that separate negotiations with the Marianas would take place concerning their political status.² Representatives of the Congress of Micronesia and American negotiators have been carrying on talks concerning the future of the territory as a whole over the past three years.

Increasing friction between the Congress of Micronesia and the Marianas District, which now seeks to be incorporated within the political framework of the United States,³ has manifested itself in countless ways, ranging from the burning of the Congress of Micronesia buildings to the attempted arson of the high commissioner's residence.⁴ These are indications that the elements of diversity are very much alive and working against the tenuous bonds that hold the various cultural and island groups together. The roots of

this diversity, while not always visible to observers of Micronesia, have now surfaced to undermine the official American position that the area should be maintained as a political entity.

Micronesia is probably the least understood of all American political involvements. Officially labeled "The Trust Territory of the Pacific Islands," it is an artificial entity consisting of approximately 2,000 islands and atolls with a population of about 100,000. These were under Japanese control until American forces captured them during World War II. Consisting of the Marshall, Caroline, and Mariana Islands groups, the territory's total land area of only 700 square miles makes it smaller than the state of Rhode Island. To complicate the matter further, the islands are sprinkled over an expanse of sea larger than the continental United States. Designated a strategic trust by the United Nations, Micronesia has been under United States administration since 1947.

Neither history nor geography has encouraged the development of a Micronesian national identity. The scattered distribution of the islands over three million square miles has separated peoples and lands so that until recently each scarcely knew that the others existed. Micronesia's ratio of land to water makes the area different from any other in the world. As one scholar put it, "water binds the islands together and gives the area regionality."⁵ While providing regionality, the enormous distances between islets have made the problems of intercommunication and the achievement of political unity difficult. The miles and miles of sea separating the islands have resulted in great diversity among the island peoples, who speak at least nine different languages apart from English and Japanese. There are six political subdivisions which follow roughly the linguistic and cultural breakdown of the area. The northernmost district is the Marianas. To the south and running approximately from west to east are the four districts of the Caroline Islands—Palau, Yap, Truk and Ponape. The eastern gateway to the territory is the Marshall Islands District.⁶

¹ "Marianas Begin Status Session," *Micronitor* (Marshall Islands), May 23, 1972, p. 9.

² *Micronitor* (Marshall Islands), July 25, 1972, p. 1.

³ Because of linguistic and cultural ties, some political leaders of the Northern Marianas favor incorporation within the political framework of Guam, which has been an unincorporated territory of the United States since 1898.

⁴ Edward E. Johnston, a Honolulu businessman, was appointed High Commissioner of the Trust Territory by the Secretary of the Interior in 1969.

⁵ Neal Bowers, "Political Geography of the Trust Territory," *Trust Territory Information Handbook*, 1951, p. 31.

⁶ *Micronesian Guidebook*, Public Information Office, Nippo, Guam, 1968, pp. 26-46.

Despite the impact of modern political masters little has been achieved in the way of developing an *esprit de corps* among the Micronesian people. As a result, foreign powers, particularly the United States, have overlaid traditional patterns without establishing a new homogeneity. The Marianas have been significantly influenced by the Spanish and the Americans and, to a minor extent, by the Japanese. Herein lie the roots of the strong resistance of the people of the Marianas toward any meaningful unification with the rest of Micronesia.

INTEREST IN THE MARIANAS

During the period of Spanish domination, which lasted roughly four and a half centuries,⁷ the islands other than the Marianas were largely ignored, since they offered little opportunity for quick material wealth. The interest of the Spanish in the Marianas was mainly the result of missionary zeal which brought about the forceful conversion of the Chamorros (natives of the Marianas) and the use of the islands, particularly Guam, as way-stations for Spanish galleons plying between Mexico and the Philippines. As trade expanded in the Pacific during the nineteenth century, the islands grew in importance. Thus, while an infrastructure of schools, dirt roads, and a water system—albeit meager—was being established by the Spanish in the Marianas, the rest of Micronesia received little attention.⁸ Prior to 1886, the political history of most of the Micronesian islands was one of virtual independence, except for the Marianas.

Forced to cede Guam to the United States as a result of the Spanish-American War, Spain ceased to be a Pacific power and sold the remainder of her Micronesian holdings to Germany in 1899.⁹ Because of World War I, German administration was shortlived, and the Japanese seized the islands in October, 1914. The Japanese period ended with World War II and the advent of American supremacy in Micronesia.

⁷ Spanish administration: 1521–1899; German administration: 1899–1914; Japanese administration: 1914–1945.

⁸ Paul Carano and Pedro Sanchez, *A Complete History of Guam* (Tokyo: Charles E. Tuttle and Company, 1964), pp. 89–162.

⁹ American missionaries who had been active in the Eastern Carolines since 1852 were heartened by the outbreak of war but disappointed when the United States did not assume sovereignty over the Eastern Carolines. Their hopes were dashed when the Carolines and Marianas, except for Guam, were sold to Germany for 25 million pesetas, or \$4,500,000.

¹⁰ E. J. Kahn, Jr., *A Reporter in Micronesia* (New York: W. W. Norton, 1965), pp. 39–40.

¹¹ U.S. President Harry S. Truman, following the recommendations of his advisers, suggested that the capital of the territory be located at Truk in the Eastern Carolines since it was the geographic and population center of Micronesia.

¹² A quartermaster in the Carolines and Marshalls received \$30.60 per month; on Saipan, the Navy and later the civilian administration paid a Saipanese quartermaster \$95.40 a month.

¹³ As told to the author by Reverend Cameron, S. J., during an interview at Guam, 1970.

After Micronesia was awarded to the United States by the United Nations in 1947, the Navy was responsible for the islands on an interim basis until the Department of the Interior assumed administration in 1951.

From the very beginning of the American period, the Marianas received "the most favored district" treatment, whether intentionally or not. The reasons, which are many and formidable, go a long way toward explaining the Marianas' lukewarm attitude toward the rest of the Trust Territory. Until the 1960's, while precious little was done throughout the territory as a whole, Saipan in the Marianas received a substantial infrastructure of roads, buildings, power and other facilities. The reason for this is that when, in 1951, the rest of Micronesia was shifted to civilian administration, the Navy continued to hold sway on the island of Saipan where the C.I.A., with the Navy serving as a front, was training Chiang Kai-shek's nationalists in preparation for a return to mainland China.¹⁰

As a by-product, the Chamorros of Saipan assumed a superior attitude toward the rest of Micronesia because of their higher living standard, thus encouraging separatist tendencies in the Marianas. The manpower required to maintain the enormous complex built under the Navy distorted the economy and lured large numbers of Saipanese away from farming toward good paying jobs with the Navy. Today, the Chamorros on Saipan who advocate association with the United States fondly recall "the good old days" under the military, and the defense activities which kept them employed as wage earners and gave them their higher standard of living.

The preferential treatment continued even after the subsequent return of the Marianas to civilian rule. Saipan became the provisional capital of Micronesia in 1962, in spite of the fact that it was neither the geographic nor the population center.¹¹ Wages of the Saipanese were also maintained at a higher level than those of their counterparts throughout the other islands. The official position was that an abrupt lowering of wages in the Marianas would be too great a shock, the result of which would be human suffering as well as a serious dislocation of the economy.¹²

Even the Catholic Church has unwittingly contributed to the growth of separatist tendencies in the Marianas. Because of linguistic and cultural ties, the Bishop of Guam requested that the Marianas be included within his diocese after World War II. The rest of Micronesia was included under the auspices of another bishop.¹³ Chamorro priests sent to the Northern Marianas from Guam undoubtedly contributed to the assimilation of attitudes encouraging union with Guam and consequently inimical to the growth of unity in the territory.

The Mariana Islands group at this time has vir-

tually seceded from the main negotiations over Micronesia's future in hopes of striking an attractive separate deal with the United States.

SEPARATISM IN THE MARSHALLS

In the Marshall Islands, separatist sentiments have also recently surfaced. Senator Amata Kabua of the Marshalls has indicated his dissatisfaction with the current political status discussions between the Trust Territory and the United States. He has publicly stated that he has reassessed his views regarding the future political course Micronesia should pursue. "I am a separatist," Kabua has said.¹⁴ He believes that Micronesians must first work on a district level getting their houses in order and then proceed to cooperation among the districts.

This reappraisal of self-interest in the Marshalls has undoubtedly contributed to Kabua's remarks regarding the desire of his district to govern itself, and is further evidence of the threat to Micronesia's political future as a nation.

Other than the Marianas, the Marshallese until recently have been more pro-American than the people of any other district.¹⁵ Undoubtedly, this strong attachment to the United States can be traced back to intensified foreign and, in particular, American, contact as early as the mid-nineteenth century. At that time, the Boston Missionary Society¹⁶ extended its activities from Hawaii to Micronesia by establishing a station at Ebon in the Marshall Islands. Using schools as the vehicle of conversion, the missionaries bestowed the benefits of American civilization, ranging from behavior patterns to the English language.¹⁷ However, the schools also transmitted a more subtle influence than the white man's wars and diseases. Through education, the Marshallese were slowly drawn within the orbit of American influence by acculturation, or Americanization.¹⁸ Thus, the Prot-

estant churches, through education, contributed over the last 100 years to the slow cultural erosion of the Marshallese society, and account in no small measure for the popularity of America within the islands until recent years. Admiral Chester Nimitz was so impressed by Protestant efforts in the Marshalls that he attributed the friendly reception given American forces in the islands during World War II to the excellent influence of the Boston Mission which had pioneered there.¹⁹

While American Protestant missionaries were spreading the gospel among the islanders, the golden age of imperialism in the late nineteenth century resulted in the appearance of Germany on the Micronesian scene. Neglected by the Spanish, whose colonization efforts centered in the Marianas, the Marshalls (where Spanish sovereignty was least substantial) were seized by the Germans who were eager for colonial expansion and who assumed a protectorate over the atolls in 1885.²⁰ It was during the German period of administration that the Marshallese were introduced to a more sophisticated material economy from which there was no turning back. Copra trade dominated German economic activity, and the Marshallese were encouraged to expand copra production in exchange for new tastes (such as iron) and a more sophisticated civilization. In the Marshalls, a higher living standard and behavior patterns more suitable to an industrial society than to an island world can be traced to these early foreign contacts.

No sooner had the Marshallese grown accustomed to the Germans than World War I erupted and the Japanese took over Micronesia. During the period of Japanese rule, the economy was stimulated, particularly the copra and handicraft industries. All that was built by the Japanese came to an abrupt end with the 'devastation of World War II. The invasion of the Marshalls by American forces in 1944 was one of the pivotal points on the road to American victory over the Japanese Empire.

The Marshalls, located at the eastern end of the territory, have always been an anomaly geographically. The district, covering approximately 70 square miles, is spread over 186,000 square miles of water, leading one wag to comment that "if one is looking for the end of the earth, one will not find it in the Marshalls."²¹ While some have regarded its geography as a liability, the more astute Marshallese believe the Pacific Missile Facilities located on Kwajalein

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Donald F. Smith has taught in the public schools of the Trust Territory and at the University of Guam. He is the author of a number of articles on Micronesia which have appeared in professional journals and is currently working on a book on the islands.

¹⁴ *Micronitor* (Marshall Islands), May 7, 1973, p. 3.

¹⁵ Once friendly and conditioned to a quarter of a century of American military expenditures in Kwajalein and Eniwetok, the Marshallese have lost their fear of speaking out and, through their political leaders, have increasingly expressed their discontent with the American presence in their midst, and particularly resent the use of their island world as a nuclear testing ground.

¹⁶ American Board of Commissioners for Foreign Missions.

¹⁷ E. H. Bryan, Jr., *Life in the Marshalls* (Honolulu: Bernice P. Bishop Museum, 1972), pp. 189-90.

¹⁸ The Marshallese students and their culture thus acquired traits of the American society with which they had contact.

¹⁹ Bryan, *op. cit.*, p. 196.

²⁰ Prior to this, in 1878, Kabua, a distant ancestor of the present Marshallese senator, signed a treaty with the German naval authorities in return for their support in consolidating his control over the atolls. This treaty ceded to Germany exclusive control over Jaluit Harbor in the Marshalls and guaranteed protection for its trading companies.

²¹ Stanley A. DeSmith, *Microstates and Micronesia* (New York: New York University Press, 1970), p. 176.

BOOK REVIEWS

ON THE PACIFIC NATIONS

COMMUNISM IN KOREA, 2 vols. By ROBERT A. SCALAPINO AND CHONG-SIK LEE. (Berkeley and Los Angeles: University of California Press, 1972. 1532 pages, Appendix, bibliography, index, \$55.00.)

With all the attention being given to China and Japan, there is a tendency to overlook the strategically important and politically complex Korean problem. Divided since 1945, Korea is an area of residual tension. *Communism in Korea* traces the origins and evolution of communism in North Korea. A well researched and analyzed study, it will be the definitive work on the subject for at least a generation.

Alvin Z. Rubinstein
University of Pennsylvania

THE AUSTRALIANS. By NANCY LEARMONT. (New York: Praeger Publishers, 1973. 166 pages and index, \$5.95.)

This short guide to Australia is excellent, covering every aspect of Australian life, politics, geography, business, industry, history, society and character. Numerous photographs illustrate the volume. The author feels that "Australian society has a remarkable stability, perhaps associated in part with the ease of escape to beach or bush." Not intended as a detailed study of Australia; the book serves as an excellent introduction to a country changing from a sheep and wheat economy to an economy based on mineral resources.

O.E.S

LISTENING TO JAPAN: A JAPANESE ANTHOLOGY. Edited by JACKSON H. BAILEY. (New York: Praeger Publishers, 1973. 236 pages with biographical notes, \$10.00.)

Jackson H. Bailey has edited an interesting and informative anthology of works by Japanese authors. The contributors are men and women of different generations and occupations, many of them relatively obscure even in Japan. The editor feels that with the reemergence of Japan as a world power, it is important to know about the culture and people of Japan.

Author Hidetoshi Kato feels that "the essence of the Japanese way of life and way of thinking should be sought in the process of modification and transformation, which is sometimes interpreted as the process of imitation." Teiji Itoh writes a fascinating thesis using Japanese ideas about the formation of architectural curves to say that "in Japan, there are almost no instances where new cultural values emerge through the complete destruction of existing

ones, . . . the end result . . . has been a kind of coexistence between persisting traditions and new ideas." Mitsuru Uchida answers the question about the status of democracy in Japan today by saying that "the future of Japanese democracy may be viewed with modest optimism. . . . Much depends upon the attitude and behavior of the new generation of voters." Yasuo Sakakibara, in discussing the Japanese economy, feels that the current Japanese economic growth rate is likely to be difficult to maintain and that a fall in this rate may even provide better living conditions for the Japanese. Hidetoshi Kato feels that "the radicalism of the [Japanese] student movement seems no more than a painfully frank expression of the fact that in Japan there is too much indifference to ideals and principles, to peace and democracy."

Hiroharu Seki, writing of the great power balances in world politics, says, "that because realists assume that the policies and interests of the major powers alone determine the entire structure of international relations, they naturally fail to see the extent to which the peoples of Asia, Africa, and Latin America have the potential energy to change the world." This book is one of the few available in English which interprets Japan, not from the viewpoint of a foreign author, but from the works of Japanese writers, writing for the Japanese people.

O.E.S.

MAJOR POWERS AND KOREA. Edited by YOUNG C. KIM. (Silver Spring, Maryland: Research Institute on Korean Affairs, 1973. 164 pages, \$2.95.)

In April, 1972, the Research Institute on Korea Affairs sponsored a symposium which attempted to clarify the situation in Korea and the Far East with regard to the role of the major powers and the policies of North and South Korea toward each other. This volume prints the papers presented by some of the scholars at the conference and also adds one more paper which deals with the developing détente between the two Koreas.

O.E.S.

THE DYNASTIES AND TREASURES OF CHINA. By BAMBER GASCOIGNE. (New York: The Viking Press, 1973. 256 pages, notes, illustrations, source notes and index, \$16.95.)

This is a handsomely illustrated book; the photographs of many of the priceless treasures China was preparing to exhibit in the West were taken in China in the spring of 1973. The text offers an interesting and readable history of Imperial China.

O.E.S.

DIVERSITY IN MICRONESIA

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lein and Eniwetok are potentially valuable bargaining weapons in securing a more generous slice of the American military dollar.²² The present coconut economy of the Marshalls is supplemented by military expenditures on Kwajalein and Eniwetok. Because of the anti-missile station on Kwajalein, a large community of Marshallese laborers has been attracted by higher wages and is crowded on the small nearby island of Ebeye. Aware of the impact of these defense expenditures, both materially and economically, many Micronesians see the Marshalls' move for self-determination as a means of obtaining the best possible terms for their land. Since they realize that the only real interest the United States has in their islands is the strategic location of their atolls, they intend to drive as hard a bargain as possible.²³ The Marshalls, like so much of Micronesia, have very little economic potential. Other than fishing²⁴ and copra production, their only source of revenue is their most treasured possession—land. The Marshallese believe that by leasing land to the Defense Department at high rates, they could be provided with an important source of revenue, while indirect funds would flow into their district through wages and from expenditures by servicemen.

Clearly, the history and geography of Micronesia have been handicaps to unity, and the various societies or subcultures have little in common except the fact that up to now they have all been under the same political control. Their differences are linguistic as well as cultural.

Linguistic loyalties in Micronesia have deep historical roots that divide the cultures, in view of the fact that languages serve as vehicles for carrying cultures. What is considered valuable in Palau, Yap, Truk, Ponape, or the Marshalls can only be understood by a Micronesian sharing these values as a result of a shared language. Languages have created the Trukese people, the Yapee people, and the other peoples of the Micronesian area. The languages of the vari-

²² The Marshallese believe their islands are as valuable to the United States military posture as are our bases in Spain.

²³ *Micronitor* (Marshall Islands), February 5, 1973, p. 3.

²⁴ Commercial fishing is a largely untapped resource, with Van Camp operating a tuna-catching and freezing operation in the Palau District.

²⁵ This legislative body is bicameral and is modeled after the United States legislature. The Senate has 2 members from each district with 4-year terms; the House of Representatives has 21 members with representation according to population.

²⁶ Norman Meller, *The Congress of Micronesia* (Honolulu: University of Hawaii Press, 1969), pp. 373-75.

²⁷ On May 23, 1973, the Marianas Status Commission and the United States delegation announced that tentative agreement on a commonwealth status that would give the Mariana islanders a choice of American citizenship had been reached.

ous island groups represent values intelligible and acceptable only to the average Micronesian from the particular island group. There is no such thing as a Micronesian language which could create a Micronesian citizen.

With nine distinct regional tongues, English is the only vehicle serving as a unifying force among the subcultures. Since this language is spoken by only a small percentage of the population, however, it also divides the Micronesians into the few English-speaking who govern and the many who are governed.

While a few nations have emerged and progressed in spite of linguistic and cultural diversity, some political unity is necessary to support a stable polity. The Congress of Micronesia²⁵ created in 1964 was envisaged by the United Nations visiting missions as an instrument for unification of the territory.²⁶ After seven years, and with the present attitude among the various political leaders in the islands toward Micronesia as a nation, it is obvious that the contribution of the Congress in achieving unification has not been satisfactory. This ineffectiveness is due to a number of political and economic factors ranging from its meager influence over the administration's budget to its subordinate relationship to the irremovable non-Micronesian executive branch. The lack of political parties which generally provide a sense of direction in many nations is also missing in Micronesia.

In this stage in Micronesia's evolution, the concept of unity in diversity, which has appealed to many observers of the island scene, seems an elusive ideal. Despite its own flag, its own citizenship, and its own Micronesian Day (July 12), a Micronesian nation does not exist. The future is in doubt, and we must await the conclusion of negotiations with the Marianas and the broader talks with Micronesia as a whole.²⁷

THE STRATEGIC BALANCE IN EAST ASIA

(Continued from page 196)

travention of our contractual obligations—in the summer of 1973, has been destroying the psychological basis of the alliance. And the Nixon-Brezhnev Renunciation of War Pact cut deeply into the *raison d'être* of the American military presence in Japan. The pressure in Congress to reduce American overseas bases drastically is growing, while the President's control of foreign policy is being challenged. Congress has already begun to use the President's détente to undercut the administration's arguments in favor of overseas bases.

If the present line of United States policy toward Japan is continued, it is likely to result in the withdrawal of United States forces to the mid-Pacific, and to the emasculation, if not the immediate termination,

of the United States-Japan Security Treaty. A Japanese diplomat has written that:

Such an American withdrawal, which could be caused by United States isolationism or protectionism [or alternatively could stimulate them], would inevitably be accompanied in Japan by economic difficulties little short of crisis and would radically cool Japanese-American relations in general. This would detract from the credibility of American nuclear protection and, under the pressure of extremism arising from economic difficulties, would probably push Japan towards extreme nationalism . . . and popular disenchantment with parliamentary democracy, which has but a short history and a fragile foundation in Japan. In these circumstances, the pressure for an independent nuclear force would become irresistibly high.⁷

It would, therefore, be quixotic to gamble that a four-power balance would be relatively stable and relaxed. On the contrary, an extremely nationalistic, rearmed Japan would probably generate an intense and dangerous arms race with the Soviet Union and China. Moreover, if Japan were to seek to achieve with her own forces a degree of security comparable to that provided by the United States-Japanese Alliance, Japan would become the most serious potential threat to United States security in the Pacific. An excessive reliance on détente and the pursuit of a quadrilateral balance in East Asia could well lead the United States once again into a military-strategic rivalry with Japan.

⁷ Kunio Muraoka, "Japanese Security and the United States," *Adelphi Papers*, Number Ninety-Five, The International Institute for Strategic Studies, London, February, 1973, p. 11.

THE TWO KOREAS

(Continued from page 208)

one's national pride, self-identity, and independence, its political appeal is patent. Park Chung Hee too has made frequent references to the concept ever since seizing power in a coup d'état in May, 1961. Most recently, he invoked it as the major ideological justification for his "October revitalizing reforms." Significantly, the Korean name of the newly created electoral college, the National Council for Unification, is "T'ongil Chuch'e Kungmin Hoeui" (Italics added). The new educational policy of the ROK government has also reflected an accent on the "chuch'e" concept. Textbooks for South Korea's primary, middle and

²² *Han'guk Ilbo*, May 23, 1973.

²³ For an incisive analysis of these problems, see T. C. Rhee, "South Korea's Economic Development and Its Socio-Political Impact," *Asian Survey*, Vol. 13, No. 7 (July, 1973), pp. 677-690.

²⁴ In most cases, however, Park is not explicitly mentioned but referred to as the "supreme person in authority in South Korea." See transcripts and excerpts of the North Korean press in recent issues of *Foreign Broadcast Information Service (FBIS) Daily Report* (Washington, D.C.).

high schools have been extensively revised to stress "chuch'e consciousness" and "a correct national viewpoint."²²

Finally, the preoccupation of the Park regime with the goal of economic development, which has yielded some spectacular results, can be viewed in part as a function of the "chuch'e" idea. Seoul's gross national product in constant prices increased from \$2.2 billion in 1959 to \$9.8 billion in 1972, and its exports skyrocketed from a mere \$50 million in 1961 to \$1.8 billion in 1972. Despite such an impressive performance, however, the Korean economy is plagued by a host of difficulties such as a dangerously high foreign debt (which totaled \$3.6 billion as of May, 1973), a serious urban-rural gap, a mounting gap between the rich and the poor, and chronic inflation.²³

PERSISTENCE OF CONFLICT

Such an unmistakable convergence of the two Koreas, however, has thus far failed to generate any significant degree of harmony and cooperation between them. Indeed, it is possible that the chances for the political integration of the two Koreas have eroded somewhat due to the aggrandizement of their political chieftains. For it is doubtful that either Kim Il Sung or Park Chung Hee would risk changing his unchallenged political supremacy in his respective domains by making political concessions, without which a negotiated solution is impossible. Moreover, as noted, the political reasons that apparently induced the two leaders to pursue dialogue were basically incongruent. Their common interests lay in the initiation of the dialogue, but did not necessarily extend to its successful completion.

Finally, the dialogue was neither preceded nor followed by any appreciable lessening of mutual distrust between the two Koreas. It is not simply the ruling political elite but virtually the entire adult population of South Korea who have profound misgivings about the intentions of Kim Il Sung. In their eyes, he not only perpetrated an act of naked aggression against them but is ultimately responsible for the atrocities committed by his troops and agents against their loved ones during the Korean War. Kim's consistent contention that it was South Korea in league with the United States who initiated the Korean War serves only to reinforce the cynicism and indignation of the South Korean people. Nor is there any visible sign that Pyongyang's contempt for and antagonism toward Park Chung Hee have abated. In the North Korean press, Park continues to be pictured as a "traitor," a "fascist hangman," and a "lackey of U.S. imperialism."²⁴

The recent rejection by North Korea of Park's proposal for separate membership in the United Nations illustrates the extent to which conflict between the two Koreas persists. In a statement issued on June 23,

1973, Park summed up the status of North-South dialogue in these words:

In our talks with the north, we have taken the position that both sides endeavor to gradually remove the artificial barriers between the south and the north by solving easier and more practical problems first and to phase out feelings of mutual distrust and replace them with those of mutual confidence through concrete results. . . .

The north Korean side, in disregard of the existence of deep-rooted feelings of distrust between the south and the north, insisted that military and political problems, which might endanger the security of the Republic of Korea, must [be discussed first]. . . .

In view of the current status of south-north relationship, it is anticipated that not only many difficulties lie in the way of the dialogue, but a considerable length of time will . . . be required before the results of the dialogue originally expected can be attained. Moreover, if the present state of affairs were to be left as it is, the existing feelings of distrust might be deepened and even the tension between the south and the north might be aggravated.

Park went on to state that Seoul would "not object to [its] admittance into the United Nations together with North Korea," insisting that the change in Seoul's policy "does not signify our recognition of north Korea as a state."²⁵

On the same day, Kim Il Sung rejected Park's proposal and offered a counterproposal: the two Koreas should enter the United Nations as one state under the name of the "Confederate Republic of Koryō."²⁶ North Korea has since stepped up her criticism of South Korea for allegedly plotting to perpetrate the division of Korea. Indeed, it is a sad commentary on the state of Seoul-Pyongyang relations that two years after the start of the Red Cross talks not a single personnel exchange has taken place except for the mutual visits of the people connected with the Red Cross and Co-ordinating Committee talks.

In sum, while the two Koreas have converged both literally and in terms of political structure and ideology, they continue to be embroiled in conflict—conflict born of the disparate political interests of their respective rulers, two decades of mutual distrust, and a bloodstained record of enmity. Barring a cataclysmic change in the power structure of either or both sides, the prospects for reunification of the Korean peninsula appear rather slim. This, of course, is not to deny that the two Koreas have come a long way.

²⁵ President Park Chung Hee's Special Statement Regarding Foreign Policy for Peace and Unification (Seoul: Korea Information Service, Inc., 1973), pp. 29-34.

²⁶ An invitation issued by the South Korean Volleyball Association to its counterpart in North Korea in August, 1973, was returned by North Korea on the ground that "there is no organization in Pyongyang by the name of 'North Korean' Volleyball Association." Pyongyang said, however, that there was one called the Volleyball Association of the Democratic People's Republic of Korea, *Korea Times*, August 3 and 5, 1973.

²⁷ See the North-South joint communiqué, in *The New York Times*, July 5, 1972.

"Confrontation with dialogue," as Seoul characterizes the current status of North-South relations, seems a distinct improvement over the state of escalating vilification and violence that prevailed in the pre-dialogue era. Nor can one preclude the possibility, however remote, that, as each side gains a better appreciation of the other's capabilities and limitations through continued dialogue and intercourse, they may indeed develop the capability and willingness to "transcend differences in ideas, ideologies, and systems" in order to achieve "a great national unity."²⁷

NEW ZEALAND

(Continued from page 212)

lieve that this demonstration would stop French testing in the Pacific. Rather, the intention was to draw world attention to the problem of the tests, and thus to deter the French or other nations from testing there in the future. At the same time, there can be little doubt that this symbolic action had a number of other important implications.

Norman Kirk's advent to power has clearly coincided with a marked popular wish for New Zealand to play a more independent role in world affairs. Throughout much of the decade of the 1960's her role was necessarily subordinate to the overriding needs of American policy in the Pacific. With its principal exports threatened by Britain's efforts to enter the European Common Market, desperately seeking to diversify trade in temperate agricultural products (which in effect means surmounting tariff barriers in countries like the United States) a small country of two and three-quarter million people found itself very vulnerable.

Thus over questions such as Vietnam, the New Zealand government (which probably agreed with the ultimate ends but not the means) grudgingly went along with American policy not merely because of trade but because the very traditions of the country had tended to underline its vulnerability and hence its need for some great protector.⁷ Until World War II, that great protector had been Britain, and in particular the Royal Navy; after World War II New Zealand naturally looked to the United States, and this continued throughout the 1960's, even though the price to be paid for protection was at times onerous. The results of the Vietnam war, however, coupled with the visits of President Nixon to China and the enunciation of the Nixon Doctrine, together with the revelations of the Pentagon Papers and other former "trade secrets" of the United States State Department, combined to produce a steady change of attitude among New Zealanders. Throughout the 1960's a steady

⁷ For details of New Zealand policy in this period see my article, "New Zealand and Southeast Asia," in *Journal of Commonwealth Political Studies*, Vol. IX, No. 1, 1971, pp. 3-18.

strain of nationalism has been emerging, combined with a growing belief that small states have a role of their own to play, distinct from their greater neighbors. In part, this reflects less fear of physical attack. There is also a growing belief that in the difficult area of international trade negotiations, where in the past it was deemed just as important to have a protector as in the defense area, quiet compliance with the wishes of larger nations does not necessarily bring greater returns than the firm expression of a sincerely held viewpoint.

Thus what is emerging is a greater spirit of confidence in the role of a small nation, and this is reflected in New Zealand's growing relations with the smaller Pacific Islands to the north. It is significant that Kirk's first official overseas visit after he took office was a visit to Apia in Western Samoa for the South Pacific Forum. At this meeting Kirk announced that the South Pacific area would get 48 cents of every dollar New Zealand spends in overseas aid for the year 1973-1974 and that the target will be 55 cents of every dollar by 1975. The emphasis is to be not only on providing economic machinery but also ensuring by means of fair trading agreements that investments can earn a fair return. Kirk emphasized the importance of aid which was complementary to the way of life of the people, so that it not only improved but also perpetuated the best value in a society.

New Zealand, which has a large Polynesian population from the islands, believes that she is well placed to understand the type of problem affecting the Pacific islands and that she has a particular duty to help in this area. This is all part of a radical shift in perspective over the past few years. For generations, New Zealanders have regarded themselves principally as an outpost of European civilization in the South Pacific, and their communication and trade routes have been principally with Europe. Today, despite the continuing importance of links with Europe, New Zealand has at long last reconciled herself to her place in the Pacific and looks first and foremost to the Pacific Basin as her natural environment.

Generally, the changes introduced by the new Labour government in the field of foreign policy are much less radical than they might at first appear. The innate conservatism of the present government is perhaps best seen, however, in the matter of alliances.⁸ The ANZUS alliance which links Australia, the United States and New Zealand in a tripartite pact remains a cornerstone of New Zealand policy. In the

⁸ For details of New Zealand's place in the alliance system see Richard Kennaway, *New Zealand Foreign Policy 1951-71* (Wellington: Hicks Smith, 1972).

⁹ See *Appendices to the Journal of the New Zealand House of Representatives* 1971, A.17. Five-Power Defence Arrangements. For a critical view see Michael Stenson, *New Zealand and the Malay World* (Wellington: New Zealand Institute of International Affairs, 1970).

last resort, the United States still remains the guarantor of New Zealand security.

But even in the case of the much more controversial SEATO alliance, New Zealand is to remain a member. At successive Labour party conferences before coming to office, strong opposition to SEATO was voiced by a majority of delegates and there can be little doubt that most New Zealanders regard continued membership in it as an embarrassing anachronism. The one justification of SEATO today is that it is the only formal basis of United States support for Thailand, and by not formally withdrawing, New Zealand is merely obliging one or both of those two nations. In Malaysia too, the New Zealand role has again been a moderate one even compared with that of her neighbour, Australia. Despite some pressure domestically to bring home the small number of New Zealand troops stationed in Singapore under the ANZUS agreement,⁹ and despite Australian withdrawal under Gough Whitlam, New Zealand troops are to remain in the area for the time being at least, as long as Singapore and Malaysia wish them to stay. In effect, New Zealand's contribution is little more than a stage army, and its presence might well best be seen as a form of foreign aid rather than as a serious military presence, for with the British contingent New Zealanders help to underwrite stable relations between Malaysia and Singapore.

The Labour government is merely continuing the steady downgrading of older alliance-based policies while developing more direct links with Pacific nations such as Indonesia. There is a widespread suspicion of all alliances and all big powers. There is also a real willingness to work with other nations, particularly with the medium-sized powers, but there is a marked reluctance ever again to be taken for granted. Once again, there is nothing fundamentally new in this; indeed, all four Labour government initiatives had distinct precedents under National rule. Labour, however, is fortunate that domestic and international opinion is conducive to more vigorous initiative which in turn accords with a deep personal interest in foreign affairs on the part of Norman Kirk.

In sum, therefore, the advent of a Labour government in November, 1972, meant for all practical purposes the replacement of an administration which had become passively conservative with an administration which might be labeled moderately progressive, bearing in mind that the nature of New Zealand conditions and her small population have always meant that this is something of a cooperative state where government of necessity bulks large in supplying basic services. Slightly right of center has been replaced by slightly left of center, but for the foreseeable future, subject to finding a successful solution to the problems of inflation, it is likely to be the center that prevails.

THE PHILIPPINES AFTER DEMOCRACY

(Continued from page 220)

of Mindanao and throughout the Sulu archipelago in the southern part of the island country. President Marcos, admitting the justice of many of the grievances of the Muslims, blamed the grievances on the "old order" he was seeking to uproot. The war between Muslims and Christians, more properly viewed as a conflict between indigenous inhabitants and more recent land-grabbing settlers from the north, had been mounting for four years. During this period, some 3,000 persons were killed, half a million persons were injured or became refugees, and many villages were burned to the ground by Muslim or Christian terrorists. The fighting seemed to stop with the proclamation of martial law in September, 1972, only to flare with greater intensity in February, 1973.

Estimates placed the number of Muslim insurgents on Mindanao at approximately 6,000, with another 8,000 Islamic rebels located along the string of islands known as the Sulu archipelago. The government achieved some notable success in stopping the rebels on Mindanao, partly through employment of jet fighters, previously obtained from the United States, but fared far less well in the Sulu islands. Sulu posed problems because of the greater predominance of Muslims, its island configuration, and the government's more limited capabilities for fighting an island-hopping type of counter-insurgency.

The Muslim war has been variously called "the Philippines' Vietnam," which it is not in terms of the unlikely appeal of the insurgents' Muslim leadership to the overwhelmingly Christian population of the country. The commanding general of the Central Mindanao Command declared in May, 1973, that the backbone of the rebellion had been broken but, like similar optimistic statements early in the Vietnam war, this declaration may return to haunt the government. President Marcos clearly realizes this and has variously tried to convince the Muslims of his willingness to assist them more than past Philippine administrations: by setting up a special development bank for Muslims, authorizing the expenditure of 100 million pesos for development purposes among the Muslims, and dividing large Cotabato province on Mindanao to improve administrative efficiency and bring the government closer to the people.

The chief fear of Marcos and his advisers respecting Mindanao and Sulu were the Muslim region's possible secession from the Philippines proper, and the establishment of a new state—possibly including adjacent Sabah, easternmost state of federal Malaysia. Sabah's chief minister, Tun Mustapha, has allegedly variously aided the rebels, and some (within and outside the Philippines) thought they saw a Mustapha design to separate his state from Malaysia proper and

become the head of government of a new Muslim country, comprising Mindanao, or a part thereof, and the Sulu archipelago as well as Sabah. The admission of Libyan leader Colonel Qadaffi that his government was providing material aid to the Muslim insurgents, which may or may not have been a grandstand diplomatic move, heightened Filipino concern over future external intervention.

The other insurrection, that of the Communists, has probably been considerably weakened since the imposition of martial law. Isolated in the far northern province of Isabella, the Communist insurgency may have as few as 1,500 active combat personnel today. A forced resettlement policy, moving more than 50,000 peasants, was undertaken in the immediate wake of Marcos' September martial law declaration, and the situation has seemed to improve steadily since that time. In April, 1973, the President stated publicly that the Communist rebellion had been "crushed."

FOREIGN POLICY

The foreign policy of the Philippines has not changed significantly since the Marcos takeover, although certain trends long in the process of development have continued. Diplomatic ties with Yugoslavia and Rumania, the first two Communist countries with which Manila has exchanged envoys, were announced in March, 1973. A trade mission visited China in May, and its leader returned to state that there was no reason why the Philippines could not trade with both the Chinese People's Republic and Taiwan. A high Foreign Ministry official even hinted at the time of Malaysia's announced withdrawal from the Asian and Pacific Council (ASPAC), of which the Philippines is a member, that Manila might even recognize North Vietnam at an early date. Possible relations with Hanoi—and even support of its membership in ASEAN—(Association of Southeast Asian Nations)—was consistent with the foreign policy of improving relations with all neighboring countries and advancing the cause of Southeast Asian regional co-operation during the first 6.5 years of Marcos' elected presidency.

If anything, relations with the United States, the Philippines' one-time colonial ruler, improved after the September proclamation of martial law. The immediate American response to the September Marcos move was to do nothing—for fear that delicate United States-Filipino relations might be unnecessarily ruffled.

In 1972, anti-American demonstrations (led by and involving a small minority of Filipinos) grabbed the headlines, but much more significant was the fact that millions of Filipinos joined a movement to make their country the 51st state of the United States in the same year. The two-part message was clear enough to President Marcos: large numbers of his countrymen had so little respect for the way that their country had

been governed since independence, by his predecessors and himself, that they would prefer to return to the colonial womb, and a quarter of a century after the end of its governance of the islands the United States was still very much admired. If Marcos' one-man government after September, 1972, had seemed to have been opposed by Washington, it might not have been able to consolidate its position.

In fact, however, the only Americans who really counted for Marcos—the United States government and United States companies doing business in the Philippines—increasingly came to like the environment of the “New Society.” If the Philippine President was pleased not to have to put up with any more anti-Marcos demonstrations (and a Congress, whatever its considerable merits, that often opposed him wholly for opposition’s sake), so, too, were the American embassy, American business, and the government in Washington. They appreciated the absence of almost chronic attacks on the United States from students, journalists, and Congressmen. Sensitive subjects like base treaty revision and economic relations could be negotiated without the “interference of politics.”

Marcos himself seemed quite pleased in mid-1973 with the state of Filipino-American relations. He stated publicly in August that he foresaw no “intractable problems” in upcoming negotiations dealing with American bases in the islands, the United States-Philippine defense treaty, United States military aid to the country, or a new trade and financial agreement to replace the often-criticized Laurel-Langley pact that currently governs some of the economic relations between the two countries (and which expires in 1974). Talks on the military bases had in fact been going on for some time quite amicably—with as much agreement having been reached as was possible on a technical (as contrasted with a political) level. A possible stumbling block, however, might be an extradition treaty between the two governments, sought in part by Marcos to obtain the return of some of his old political foes in the United States.

The Philippine President was pleased with the statement retiring Ambassador Henry Byroade made as he left the Philippines in May. Disavowing any intention to defend the Marcos’ political takeover in the country, Byroade went on to say that it was “interesting” to him that “the majority of the Filipinos seemed to be favorably disposed toward martial law because of the stability and discipline it introduced.” Given the contemporary political character of the Philippines, there is no way of verifying the ambassador’s impression, but there can be little doubt that the statement was rightly viewed by Marcos as a vote of confidence in his “New Society” government, and was so viewed by most politically knowledgeable Filipinos.

At almost the same time as Ambassador Byroade

was speaking in Manila, Philippine Foreign Secretary Carlos P. Romulo—former longtime Filipino ambassador to Washington—was asking in an address in San Francisco for American aid to his country, which was seeking to establish a “New Society” and showing after seven months of martial law, he said, “the makings of a real, dynamic democracy.”

But was the Philippines in fact in the process of establishing such a democracy, drawing on the *barangay* tradition and responding to presidential questions based on considerations of policy and not personalities? Was democracy possible—any kind of democracy—without free speech and a free press?

Of course, these are questions for Filipinos and should be answered by Filipinos. A case can be made for a fairly substantial list of accomplishments under the Marcos martial law, but can a case be made for Filipino democracy? How high a price should any country pay for such accomplishments? And who should set the price?

The problem is also an American one, however, in at least one very important way. While it seems unlikely at this time that the Marcos drift away from democracy will be arrested, a reversal is possible in time, and it could come sooner than many expect. In such an eventuality, those who may some day successfully topple the Marcos regime could very well assert that the United States conducted business too much as usual under the “New Society.” No matter that these same Filipinos would argue that the Americans should not interfere in internal Philippine matters, which is in fact the United States position. They will still blame the United States for accepting too enthusiastically the ease and safety of doing business with the Marcos dictatorship. And they will probably be right.

JAPAN AND THE “SMALLER STATES” OF ASIA (Continued from page 201)

themselves will be shaped by decisions made by Southeast Asian nations.”⁹

The perception of a problem is a prelude to its solution. There is no doubt that Asian nations have grown in politico-economic capability and international stature sufficiently to deter major powers including Japan (as commonly perceived) from making ill-conceived selfish moves against Asia. These healthy constraints that are strong enough to check major powers are the ultimate basis for the peace and prosperity of Asia. With a strong and sophisticated Asia, Japan’s economic capability will be no more than what it really is, i.e., the ability to produce goods and services for the world.

⁹ Quoted from Soedjatmoko, “The Role of the Major Powers in the East Asian-Pacific Region,” in *Pacific Basin Development: The American Interest*, ed. Harald B. Malmgren (Lexington, Mass.: Lexington Books, 1972), p. 132.

AUSTRALIA REVISITED

(Continued from page 216)

in a warm message to Whitlam. The two countries first demonstrated their new entente by jointly recognizing Communist China. Both Prime Ministers simultaneously reaffirmed their support of the ANZUS Pact, which binds them in a mutual defense relationship with the United States. The possibilities of additional collaboration are numerous,²¹ and to act on those possibilities the two Prime Ministers have agreed to meet informally at least once a year.

Further afield, Prime Minister Whitlam has made it clear that while not intending to abandon either Britain or the United States, Australia will seek to act as a middle power and to develop policies that not only will avoid conflicts but that will contribute to the stability and peace, particularly of Southeast Asia, and then of the world at large. Such an idea, Alan Fitzgerald writes, "can only be seen to be daring in the context of [Australia's] immediate past history."²² Taking up the dare, Whitlam has expressed the hope that Australia can assist in the development of a new, more inclusive regional organization entrusted with keeping the peace in Southeast Asia. This may not be possible, for Australia, despite her location and economic ties in the region, is ethnically and culturally white and European. Whether Asian countries will accept Australian leadership remains to be seen. So far, certainly, the Asian countries have looked coolly on Whitlam's suggestion for a regional association. In the meantime, the Labor government has begun to review its membership in SEATO (the Southeast Asia Treaty Organization, in which it is linked with France, New Zealand, Pakistan, the Philippines, Thailand, Britain, and the United States), having in mind some type of new non-military role for the organization.

Simultaneously, Australia has reaffirmed her Commonwealth membership as central to her interests, not only regionally but world-wide, and she has declared her support for ASEAN (Association of Southeast Asian Nations). Moreover, the new government has indicated its intention of continuing to participate in the defense of Singapore and Malaysia until such time as the entire region can be neutralized. The government also intends to continue to develop the rapprochement with Indonesia begun by the previous government and culminating in a new trade agree-

ment between the two countries in 1972. Summing up his thinking about Australia's position in Asia, Whitlam commented:

Our actual situation is this: we are far and away the richest nation in the neighborhood. We have a gross national product equal to that of all the countries between the Bay of Bengal and the South China Sea. . . . We are an island continent with one of the most formidable natural defenses in the world. We have no serious conflict of interest with any of our neighbors, and there are no foreseeable conflicts likely to arise well beyond this decade.²³

Moving from this position of power, Australia's regional leadership seems more likely to be realized.

More broadly, Australia will probably seek under Labor tutelage to use the United Nations more effectively for her own and the region's interests (coincidentally, Australia was elected for a two-year term as a non-permanent member of the U.N. Security Council beginning in January, 1973) and to develop new ties with other such middle powers as Yugoslavia.

Of particular importance as Australia develops new foreign policies is the fact that Australia is becoming the object of other countries' resources strategies. Australia ranks among the world's five main producers of bauxite, iron, tin, nickel, silver, lead, and zinc. Production of all these is increasing while a number of more industrialized countries are becoming steadily less self-sufficient in those very minerals. What is needed, Prime Minister Whitlam declared on May 24, 1973, is the development of a policy which takes account of both domestic and foreign pressures for minerals. Earlier he had observed that, increasingly, Australia's relations with both the United States and Japan "would turn to the question of use and share of resources."²⁴

It is not an easy task for Australia to move on so many fronts at once. If her leadership is accepted close to home, her international ambitions further away may not be given credence. Japan is already feeling power as the largest consumer of Australian wool and iron ore (Australia produces 40 per cent of all the iron ore Japan uses²⁵), and despite her desire to be independent, "Australia's economy has become inevitably tied to its largest market."²⁶ Japan, indeed, may replace Britain and the United States as the sun around which Australia revolves.

Nor has the United States decided how to deal with the next Australia. Long used to a tractable ally, the United States responded with displeasure at recent criticisms in Australia of American policies in Vietnam and elsewhere. Thus though Prime Minister Whitlam early expressed a desire to visit the United States, he pointedly was not invited to do so. He was not about to be rebuffed so easily, however, and he announced that he would come in any event en route to the August Commonwealth Prime Ministers meeting in Ottawa. President Nixon did agree to see Prime Minis-

²¹ See Horne, *op. cit.*, pp. 199-202.

²² Fitzgerald, *op. cit.*, p. 30.

²³ An interview with Murray Sayle, quoted in *The Globe and Mail* (Toronto), April 3, 1973, p. 14.

²⁴ Australian Consulate-General in the United States, *Australian News Weekly Roundup*, 20/73, May 16, 1973, p. 1.

²⁵ *The Economist*, April 14, 1973, p. 90.

²⁶ *The Economist*, April 28, 1973, p. 75.

ter Whitlam for about an hour, but did not make it an official formal occasion like Japanese Prime Minister Kakuei Tanaka's visit the next day. However, both leaders were quoted after their meetings as having found their interests and approaches to be similar. When still in the Opposition, Whitlam had declared that Australia had much to learn from the United States. He noted that "Australia could greatly benefit by increased federal government activity along American lines" and said that "Australians responsible for the operation of . . . federal [programs] should observe and take advantage of American experience."²⁷ There is no reason to think that now in power he will neglect that asset. In any case, both he and President Nixon spoke in terms of continued cordial relations.

Very likely, it will be impossible for Australia to move too far out of the American orbit, even if she wanted to, as long as she still maintains her tie with the United States dollar (the Australian dollar is expressed in terms of American dollars). Some Cabinet members in the Labor government are outspoken in their demands that Australia break her ties with the United States dollar and let the Australian dollar float, even as was done by New Zealand in July, 1973. Even more important as a binder, as C. L. Sulzberger pointed out in *The New York Times*, is the large United States defense presence still in Australia. Sulzberger expressed doubt that Australia will soon forego the security the American presence brings. In any case, the Australian people are still heavily pro-American; it is unlikely they would tolerate a government too anti-American in its posture.²⁸ Australia may thus continue to pursue policies pleasing to the United States, if not to Japan as well.

Finally, the parameters of what can be done under any Australian government are set by population statistics. All the energy and nationalistic motivation in the world will not lead 13 million people into a very prominent position. Even the most optimistic projections give Australia a population of only 23 million by the year 2000. As Sulzberger concluded, "Until [Australia] produces a population commensurate with its continental size, [it] can talk with more abandon than it [can] act."²⁹

Over a decade ago, the eminent Australian historian, Douglas Pike, began the last chapter of his *Australia: The Quiet Continent*³⁰ with the statement that: "The Australian story is something like a fun-fair. The same things happen again and again. . . . What is the purpose of it all?" So much has happened in

Australia in the years since he wrote, however, that neither the book's title nor his concluding statement is now valid. Australia has moved fast and far in the last decade, more especially in 1973, and now appears to be at a crossroad. The next few years will tell whether she will reaffirm her comfortable but dowdy past or whether she will actively pursue directed internal development and a new international stance.

Certainly, many factors favor her already. Despite inflation, which has affected Australia as it has all other nations today, her economy is sound. It had a growth rate of 6 per cent in 1972 and it is expected "to spurt to at least 7 per cent in real terms" in 1973.³¹ Almost full employment is a happy characteristic, as is a robust trade surplus. There has been enough rain recently to bring unprecedented profits to farmers and cattlemen, with the result that "wool and beef have, for [1973] at least, replaced minerals as Australia's glamor products."³² But plentiful supplies of minerals, especially of iron and gold, assure continuing prosperity in the mineral sector as well. Indeed, the high price of gold on the world market has suddenly made even the old Australian gold mines economic again. Production in 1973 is up 10 per cent over that of 1972, and Kalgoorlie, the scene of the gold rush of the 1890's, is booming again. As a result of all this, there is a new sense of excitement, of expectation, of buoyancy in Australia which itself will serve as a propellant.

Thus the foundation for a shift is solid. If the Labor government stays together and can hold onto office; if the shape of Australian federalism can be sufficiently changed to permit the accomplishment of its reform program, and if the international scene remains stable enough to permit Australia to develop her position of regional leadership and middle power influence, Australia's future looks bright indeed. As Donald Horne concluded, "As a nation that takes advantage of the accidental contrast between its history as a European nation and its geography as a South-East Asian and South-West Pacific power, it can draw on new creative forces, impelling a new self-assurance and a new sense of direction. . . . Whether it likes it or not, Australia will become a different kind of place—the next Australia."³³

But fortunately for Australia—and this can be said of few other nations—even if worst came to worst, and none of the promises here described were actually fulfilled, Australia would still be a place of note. William Forbis brought *John Gunther's Inside Australia* to an end by quoting from *Asia* the thought that "If you are looking for the Utopia of the 20th Century, it is there Down Under."³⁴ This is no mean accolade for a country with its meager beginnings and long colonial experience—no mean accolade, indeed, for any modern nation! If the next Australia is something even better, it will deserve the attention and respect of the whole world.

²⁷ Australian News and Information Bureau, *Australian News Weekly Roundup*, 23/64, p. 2.

²⁸ *The New York Times*, March 16, 1973, p. 41.

²⁹ Quote in *The Age* (Melbourne), March 18, 1973, p. 10.

³⁰ Cambridge: Cambridge University Press, 1962, p. 222.

³¹ *The Economist*, April 28, 1973, p. 72.

³² Horne, *op. cit.*, pp. 23–31.

³³ Forbis, *op. cit.*, p. 346.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of September, 1973, to provide a day-by-day summary of world affairs.

INTERNATIONAL

Conference of Nonaligned Nations

Sept. 9—Leaders of 76 nonaligned nations, representing a major portion of the underdeveloped world, conclude a 5-day conference in Algiers. Agreement is reported on several points, including the condemnation of Israel, support for African insurgent movements, a call for disarmament and opposition to nuclear weapons.

Conference on Security and Cooperation in Europe

Sept. 18—Delegates from 35 nations resume the conference on European security in Geneva. The conference will draft new principles to guide East-West relations.

Disarmament

Sept. 25—The U.S. and Soviet Union resume their strategic arms limitation talks (SALT) in Geneva after a 3-month recess.

European Economic Community (Common Market)

Sept. 10—Meeting in Copenhagen, the foreign ministers of the 9 Common Market countries approve a declaration responding to Washington's request 6 months ago for improved trans-Atlantic relations and preparing the way for President Nixon to visit Europe. They also agree on a possible agenda of topics.

Sept. 19—Responding to Henry Kissinger's appeal last April for a "new Atlantic charter," the E.E.C. delivers its proposal for greater U.S.-European cooperation to the U.S.

General Agreement on Tariffs and Trade (GATT)

Sept. 14—Meeting in Japan, delegates from 102 nations agree unanimously to the "Declaration of Tokyo," in which they pledge freer trade and a commitment to the general trade negotiations of GATT, now in their 7th round.

International Bank for Reconstruction and Development

Sept. 25—At the annual meeting in Kenya, the U.S. and 24 other countries agree to contribute a total of \$4.5 billion to the World Bank during the next

3 years for low-cost loans to the poorest nations.

International Monetary Fund

Sept. 23—The I.M.F. Committee of 20 confers in Kenya on the world monetary system. The Committee of 20 represents the 126 member nations of the I.M.F.

Sept. 24—The Committee of 20 releases a document outlining points of agreement and disagreement on reforming the world monetary system.

The annual meeting of the I.M.F. opens in Kenya.

Latin America

Sept. 3—at their 10th annual conference, U.S. and Latin American military officers begin 5 days of private meetings in Caracas, Venezuela.

Middle East

(See also *Austria; Jordan*)

Sept. 1—Yasir Arafat, head of the Palestine Liberation Organization, arrives in Cairo to confer with President Anwar Sadat of Egypt.

Sept. 4—U.N. Secretary General Kurt Waldheim completes his 5-nation fact-finding Middle Eastern tour. He expresses a feeling of encouragement at finding "a general desire for peace in the area." He met with the leaders of Israel, Syria, Lebanon, Egypt and Jordan.

Sept. 5—5 Palestinian commandos take over the Saudi Arabian Embassy in Paris, in an apparent attempt to force the release of a Palestinian guerrilla leader, Mohammed Daoud Odeh, held in a Jordanian prison.

Sept. 8—After flying to Kuwait from Paris aboard a Syrian airliner, the Palestinian guerrillas surrender and release 4 Saudi hostages after Kuwaiti officials refuse to consider their demand for Odeh's release.

Sept. 11—King Hussein of Jordan and Presidents Anwar Sadat of Egypt and Jafez Assad of Syria meet in Cairo to discuss the inclusion of Jordan in a re-opening of the so-called Arab eastern front against Israel.

Sept. 13—Israeli and Syrian planes clash over the Mediterranean Sea in the largest air battle since the 1967 war.

Sept. 14—Israeli officials describe yesterday's air battle with Syria as an isolated incident and deny Arab charges of Israeli provocation.

Sept. 22—The executive committee of the Palestine Liberation Organization issues a statement supporting Jordan's reconciliation with Egypt and Syria, but describing King Hussein as an enemy.

Sept. 28—Two Arabs who kidnapped 3 Soviet Jews and 1 Austrian customs official from a Moscow-to-Vienna train yesterday release them early today. They leave Vienna by plane after the Austrian government announces the suspension of its transit facilities for the use of Israeli-bound Jews emigrating from the Soviet Union.

Sept. 29—The Israeli government recalls its ambassador to Austria to protest Austria's capitulation to the Arab terrorists' demand for the closing of transit facilities for Soviet Jews emigrating to Israel.

The 2 Arab guerrillas land in Libya.

Austrian officials confirm that group transit of Jewish emigrants through Austria will be suspended; the Schönau facility, a key transit point in Austria for Soviet Jews, will be closed.

Organization of American States

Sept. 4—Delegates from 23 Western Hemisphere nations open a conference in Washington to revise the Charter of the O.A.S.

Organization of Petroleum Exporting Companies

Sept. 16—The major oil exporting nations announce that they will meet in Vienna next month to renegotiate oil price agreements.

South Pacific Conference

Sept. 18—17 island states and territories in the South Pacific adopt a resolution urging joint sessions with the South Pacific Commission (composed of the U.S., Britain, France, Australia, New Zealand and 3 independent Pacific states). The Commission has full authority over joint aid programs for the region.

United Nations

(See also *Middle East*)

Sept. 18—at the opening of the 28th annual General Assembly, East and West Germany and the Bahamas are admitted as the 133d, 134th and 135th members. The Assembly elects Leopoldo Benites of Ecuador as President of this session of the Assembly.

Sept. 20—Pakistani Prime Minister Zulfikar Ali Bhutto addresses the General Assembly.

Sept. 24—U.S. Secretary of State Henry A. Kissinger addresses the General Assembly; he asserts that the U.S. is dissatisfied with "a world of uneasy truces" and hopes for "a comprehensive institutionalized peace." He proposes that Japan be made a permanent member of the Security Council.

Sept. 25—Soviet Foreign Minister Andrei A. Gromyko

addresses the General Assembly. He proposes that the 5 great powers, who are permanent members of the U.N. Security Council, reduce their military budgets by 10 per cent.

War in Indochina

Sept. 1—Communist troops besiege the provincial capital of Kompong Cham in Cambodia.

Sept. 4—Vietcong and South Vietnamese military negotiators resume talks on the implementation of the Paris peace agreement after a 4-day impasse.

The Cambodian government reports reopening the Kompong Cham airport road, seized yesterday by the Communists.

Sept. 5—Premier Thanom Kittikachorn of Thailand tells newsmen that U.S. and Thai officials have agreed on the departure of 70 more American planes beginning tomorrow.

In a statement from the U.S. delegation to the Joint Military Team, the U.S. accuses North Vietnam and the Vietcong of not fulfilling provisions of the Paris cease-fire agreement dealing with missing Americans and the return of the remains of those dead.

Sept. 6—The Cambodian government airlifts reinforcements to the beleaguered provincial capital of Kompong Cham.

Sept. 7—for the 1st time since the January cease-fire, the South Vietnamese government concedes opening fire on a Vietcong unit 12 miles from the capital.

Sept. 11—in parallel protests, the governments of the U.S. and South Vietnam accuse North Vietnam of rebuilding former American airfields in Vietcong territory.

Sept. 12—After 5 weeks of discussion, principal negotiators for the Laotian government in Vientiane and for the pro-Communist Pathet Lao initial the accord to establish a coalition government, putting into effect the cease-fire agreement of February 21; formal signing will take place in 2 days.

Sept. 13—After a 9-day battle, the Cambodian government recaptures the provincial capital of Kompong Cham.

Sept. 14—in spite of continuing clashes, the South Vietnamese command reports a decline in the level of fighting.

Sept. 18—According to the Cambodian government, Route 4, the main overland supply route to Phnompenh from Kompong Som, is reopened after Cambodian troops rout Communist soldiers at several points.

Sept. 24—the Laotian Defense Ministry announces that North Vietnam and Pathet Lao troops have attacked at least 3 government positions in the first reported violations of the Laotian peace accords formally signed on September 14.

ARGENTINA

Sept. 23—Juan D. Perón wins his 3rd presidential victory in elections today; his chief rival concedes. Final official election figures will be completed tomorrow.

Sept. 24—Near final returns indicate that Perón won twice as many votes as his nearest rival, or 61.81 per cent of the ballots cast. His wife Isabela is elected Vice President.

Sept. 25—Urban guerrillas kill José Ignacio Rucci, Argentina's principal labor leader and a strong supporter of Perón's. Last night, the government outlawed by decree a Marxist guerrilla organization, the People's Revolutionary Army. The P.R.A. says it is responsible for the assassination.

AUSTRIA

(See also *Intl, Middle East*)

Sept. 30—Austrian Chancellor Bruno Kreisky, defending his agreement with the Arab terrorists to close the Schönau transit point in exchange for the release of the 4 hostages last week, says that the U.S. and other nations should "share the burden" of helping Jewish refugees leaving the U.S.S.R. for Israel.

BOLIVIA

Sept. 10—President Hugo Banzer Suárez swears in 4 new Cabinet ministers.

CAMBODIA

(See *Intl, War in Indochina*)

CANADA

(See also *U.S., Foreign Policy*)

Sept. 2—Following emergency, back-to-work legislation passed by a special session of Parliament yesterday to end the nationwide rail strike, 7 of the 8 unions involved order their members to return to work.

Sept. 13—The Bank of Canada raises by .5 per cent its bank loan rate to 7.5 per cent, the 5th such increase since April.

CHILE

Sept. 11—A violent military coup topples the government of President Salvador Allende Gossens, the 1st freely elected Marxist President in the Western Hemisphere. The President is dead; he is reported to have killed himself. A military junta declares a state of siege.

Sept. 13—General Augusto Pinochet Ugarte, commander of the army, becomes President of the 4-man junta and swears in a 15-member Cabinet of mostly military men. The new foreign minister, Rear Admiral Ismael Huerta, advises the Cuban

Ambassador, Mario García Inchaustegui, that, as one of its 1st acts, the junta will break off relations with Cuba. A curfew imposed since the coup is lifted for 6½ hours.

Sept. 14—*The New York Times* reports that the military junta deliberately did not inform Washington of its plans for a coup.

Sept. 16—Civilian resistance to the military takeover in Chile persists. Reports of arrests and executions continue.

Sept. 21—The new military junta announces a ban on Marxist political parties. The junta also declares that a new constitution will be announced.

Sept. 22—General Gustavo Leigh Guzmán, a member of the ruling military junta, announces that 30 top aides of Allende's are being held prisoner on an island, and that 7,000 are imprisoned in the National Stadium in Santiago.

Sept. 25—The military junta issues a decree removing legal recognition from the Central Workers Confederation, Chile's largest labor organization.

Sept. 27—Two opponents of the military government are executed by order of military tribunals.

CHINA

(See also *France; U.S.S.R.*)

Sept. 15—*Hsinhua* (the official news agency) reports the establishment of diplomatic ties between China and Upper Volta.

Sept. 17—President Georges Pompidou of France departs after a week-long visit.

EGYPT

(See *Intl, Middle East*)

FRANCE

Sept. 12—French President Georges Pompidou, who arrived in Peking yesterday, begins a week of meetings with Chinese leaders. This is the 1st trip to China since 1949 by a West European head of state.

Sept. 14—The government indicates the end of current nuclear testing by lifting the ban on shipping in the Pacific test zone.

ICELAND

Sept. 11—The Cabinet accepts unanimously a proposal by Premier Olafur Johannesson to threaten a break in diplomatic ties with Britain if ship ramming continue.

INDIA

Sept. 15—Following an army response to riots in the states of Mysore in the southwest and Manipur in the northeast, the national committee of the ruling Congress party begins a 2-day meeting on price rises, scarcities and violence.

ISRAEL(See also *Intl, Middle East; Austria*)

Sept. 12—Results of yesterday's election for the General Federation of Labor disclose that Premier Golda Meir's governing Labor party suffered a 4 per cent setback.

JAPAN

Sept. 7—In a landmark decision a Japanese district court declares unconstitutional the maintenance of the nation's military forces.

Sept. 11—The government decides to appeal directly to the Supreme Court last week's ruling by a district court on its defense forces.

Sept. 14—The Finance Ministry reports that for the 6th consecutive month, Japan's balance of payments in August showed a deficit.

Sept. 23—The House of Councilors (Japan's upper house) approves 2 bills passed earlier by the lower house expanding the size and scope of the Japanese military force.

Sept. 26—Premier Kakuei Tanaka departs on a 2-week tour of Europe and the U.S.S.R.

JORDAN(See also *Intl, Middle East*)

Sept. 18—To promote Arab reconciliation, Jordan's King Hussein declares an amnesty for political prisoners jailed since 1970, including Palestinian guerrillas.

Sept. 19—King Hussein personally supervises the release of Palestinian rebel leaders, including Mohammed Daoud Odeh.

Sept. 20—The last of the 747 Palestinian guerrillas pardoned by King Hussein are released.

KOREA, REPUBLIC OF (South)(See *U.S., Foreign Policy*)**LAOS**(See *Intl, War in Indochina*)**LIBYA**

Sept. 1—Marking the 4th anniversary of the military revolution, the government announces the decision to nationalize 51 per cent of the assets of all foreign oil companies operating in Libya.

Sept. 7—British officials report a recent Libyan mine-laying operation off the Tripoli harbor.

NORWAY

Sept. 11—Final returns from the election held during the past week disclose that the Labor party and its leader Trygve Bratteli have won only 35 per cent of the vote and 62 seats in the 155-member Parliament. With the support of a left-wing coalition in Parliament, the Labor party is expected to continue to govern.

PAKISTAN(See also *Intl, U.N.; U.S., Foreign Policy*)

Sept. 15—Before leaving for a visit to the U.S., Prime Minister Zulfikar Ali Bhutto announces new taxes to pay for losses caused by the floods in Punjab and Sind provinces.

Sept. 19—The repatriation of Bengalis held in Pakistan and of Pakistanis held in Bangladesh begins following last month's agreement between India and Pakistan on hostage groups.

Sept. 23—Over 600 Pakistanis and Bengalis are repatriated today; a total of 1,468 Bengalis and 1,308 Pakistanis have been repatriated in the past 4 days.

SOUTH AFRICA

Sept. 12—Prime Minister John Vorster defends a police action which resulted in the deaths of 11 black workers during a mine riot.

SUDAN

Sept. 5—Student demonstrations and a strike threat by 6 major trade unions cause the government to proclaim a state of emergency.

SWEDEN

Sept. 15—King Gustaf VI Adolf dies at the age of 90 after a reign of almost 23 years. Crown Prince Carl Gustaf succeeds him.

Sept. 17—Near final returns indicate that Premier Olof Palme and his governing Social Democrats have won 175 seats in the 350-member Parliament. A non-Socialist coalition has won the other 175 seats.

Sept. 19—King Carl XVI Gustaf is formally installed but not crowned.

SYRIA(See *Intl, Middle East*)**THAILAND**(See *Intl, War in Indochina*)**TURKEY**

Sept. 26—Martial law, in effect for over 2 years, is lifted.

U.S.S.R.(See also *Intl, U.N.; U.S., Foreign Policy, Labor*)

Sept. 1—in closed proceedings, 2 Soviet dissidents, Pyotr P. Yakir and Viktor A. Krasin, receive reportedly mild sentences.

Sept. 3—*Izvestia* (the government newspaper) accuses an American-financed radio station of broadcasting statements by physicist Andrei D. Sakharov, who is presently a target of Soviet denunciation.

Sept. 5—at a major news conference in Moscow, dissidents Yakir and Krasin recant in public.

Sept. 12—the Swedish Uppsala seismological insti-

tute reports that the Soviet government set off a powerful underground nuclear explosion on the Arctic island of Novaya Zemlya.

Sept. 15—In its 1st official response to Western support of dissidents under attack in the Soviet Union, the government warns that "no one is allowed to violate the principles of our democracy."

Sept. 19—Leonid I. Brezhnev, Soviet Communist party leader, delivers a speech in Sofia, Bulgaria, warning the West not to exploit Moscow's interest in better foreign relations by pressuring for new concessions from the Soviet Union.

The Moscow radio issues a broadcast in English charging the U.S. with interference in Soviet affairs. On Monday, the U.S. Senate passed an amendment urging the Soviet Union to permit more freedom for its citizens.

Sept. 22—*Tass* (official press agency) makes public a government statement that the U.S.S.R. is breaking off relations with Chile because of harassment of Soviet citizens there.

Sept. 24—Premier Aleksei N. Kosygin arrives in Yugoslavia for a week-long visit. His talks with President Tito will center around industrial cooperation.

Speaking in Tashkent, Brezhnev discloses that last June the Soviet Union offered to sign a non-aggression pact with China, but China did not reply to the offer.

Sept. 26—The Soviet press discloses Soviet ratification of 2 international covenants on human rights adopted by the U.N. General Assembly in 1966. One covenant affirms civil and political rights, including the freedom of an individual to "leave any country, including his own." It is believed that ratification occurred because of the Soviet desire to influence U.S. legislation concerning improved trade with the U.S.S.R.

Sept. 27—A Soviet spaceship, *Soyuz 12*, is launched into orbit around the earth. Two astronauts are aboard.

Sept. 28—According to *The New York Times*, 2 major articles in Communist party publications cite 2 international covenants on human rights to justify Soviet restrictions on individual liberties.

Sept. 29—In the 1st Soviet manned space flight in over 2 years, the 2 Soviet astronauts successfully end a 2-day test flight of a modified *Soyuz* spaceship.

UNITED KINGDOM

Great Britain

(See also *Iceland*)

Sept. 1—The Foreign Office announces that Britain and North Vietnam have established diplomatic relations and will exchange ambassadors before the end of the year.

Sept. 7—At the Trades Union Congress, British unions vote to oppose the government's economic policy.

Sept. 13—The government announces a decision to begin work on a tunnel under the English Channel to France.

Sept. 17—Prime Ministers Edward Heath of Britain and Liam Cosgrave of the Irish Republic confer in Dublin on setting up the Council of Ireland to serve as a link between Northern Ireland and the Irish Republic.

Northern Ireland

Sept. 22—The I.R.A. declares that it has killed a Roman Catholic who spied for the British Army.

UNITED STATES

Economy

Sept. 7—The Labor Department reports a 5.8 per cent rise in the Wholesale Price Index for August, the 3d largest monthly increase in 60 years.

The Federal Reserve Board raises banks' marginal reserve requirements from 8 per cent to 11 per cent on large certificates of deposit.

The Cost of Living Council orders 4 major automobile companies to reduce price increases with the exception of those caused by compliance with safety standards; it announces that the Phase 4 food regulations and removal of beef price ceilings will become effective on September 9.

Ruling on an appeal by gasoline retailers, Supreme Court Justice William H. Rehnquist upholds a lower court's ruling retaining Phase 4 controls on gasoline prices.

Sept. 10—The Cost of Living Council authorizes the steel industry to schedule a 2-stage, \$400-million-a-year increase in prices of sheet and strip steel.

Sept. 14—Following the lead of the Wells Fargo Bank, several large banks raise their prime rate from 9.75 to 10 per cent.

Sept. 21—The Bureau of Labor Statistics in the Department of Labor announces that in August food prices rose by 6.1 per cent, the largest increase in 1 month since July, 1946. A 1.9 per cent rise in the Consumers Price Index in August is also reported; this is the biggest 1-month increase since September, 1947.

Sept. 28—The Cost of Living Council announces that it will permit price increases on gasoline of 1 to 2.5 cents a gallon.

Foreign Policy

(See also *Intl. War in Indochina; U.S.S.R.; U.S., Government*)

Sept. 3—Special relief coordinator Maurice J. Williams arrives in Pakistan with assurances of U.S. help for flood relief.

Sept. 9—The National Academy of Sciences threatens to end cooperation with the Soviet Union if harassment of Soviet physicist Andrei D. Sakharov continues.

Sept. 10—The U.S. and Canada agree on new expanded air routes and an expanded customs system.

Sept. 11—The new Ambassador to Laos, Charles S. Whitehouse, begins his duties.

Sept. 13—White House deputy press secretary Gerald L. Warren denies any U.S. knowledge of the Chilean coup other than rumors of unrest for over a year.

In a joint communiqué issued by South Korea and the U.S., the U.S. promises continued military support.

Sept. 17—The Senate approves an amendment to an appropriations bill expressing "the sense of the Senate" in support of Soviet dissidents.

Sept. 18—Visiting Pakistani Prime Minister Zulfikar Ali Bhutto is welcomed to the U.S. by President Richard Nixon.

Sept. 27—The Senate votes, 48 to 36, to reduce U.S. troops overseas by 110,000 men by the end of 1975. This amounts to a 23 per cent reduction of the 471,000 air and ground troops stationed abroad.

President Nixon asks Congress to lift the anti-Soviet restrictions added to a foreign trade bill by the House Ways and Means Committee yesterday and to permit improved trade with the U.S.S.R. despite Soviet prohibitions on free emigration.

Sept. 28—at a White House meeting, President Nixon promises Soviet Foreign Minister Andrei A. Gromyko that he will try to pressure Congress to grant "most-favored-nation" status to the U.S.S.R.

Sept. 29—West German Chancellor Willy Brandt and President Nixon confer at the White House.

Government

(See also *Foreign Policy*)

Sept. 4—Without waiting for the President's pending appeal in the Watergate tapes case, the U.S. Court of Appeals for the District of Columbia circuit orders a speed-up of proceedings to facilitate an early Supreme Court hearing; the term of the Watergate grand jury will expire in early December.

Sept. 5—in a news conference President Nixon challenges Congress, which reconvenes today, to enact his "bipartisan" legislative proposals. Calling Congress' record "disappointing," he announces that he will veto the minimum wage bill.

Responding to a question on his personal finances, the President says he paid no capital gains tax on the sale of some of his San Clemente property. He declares that the I.R.S. "did not order any change" in his tax returns after their audit in 1971 and 1972.

Sept. 6—U.S. District Court Chief Judge John J. Si-

rica grants the President's attorney a 2-week delay in responding to a motion filed by the Senate Watergate committee, making a final ruling unlikely before Congress adjourns.

The Los Angeles district attorney's office confirms that secret grand jury indictments for the alleged burglary of the office of Daniel Ellsberg's former psychiatrist were handed down 2 days ago to John D. Ehrlichman, former White House adviser for domestic affairs; his aide Egil Krogh; David R. Young, Jr., a former aide to national security adviser Henry A. Kissinger; and G. Gordon Liddy, convicted Watergate conspirator.

Sept. 7—In a procedure similar to that followed by Krogh and Young yesterday, Ehrlichman pleads not guilty to charges of burglary, conspiracy and perjury in the 1971 break-in of the office of Ellsberg's former psychiatrist.

The Justice Department's Special Prosecutor, Archibald Cox, requests the U.S. Court of Appeals to order the President to turn over White House tape recordings directly to the Watergate grand jury.

The Senate approves and sends to the White House a bill ratifying last February's 10 per cent dollar devaluation and leaving private American ownership of gold to the discretion of the President. The ratification raises the official price of gold from \$38 an ounce to \$42.22 an ounce.

Sept. 8—in a 12-minute extemporaneous statement on energy to newsmen, President Nixon calls on states and cities to relax environmental rules to avert a heating crisis this winter; urges Congress to pass bills to deregulate natural gas prices, build deep-water tanker ports, set strip-mining standards and authorize a trans-Alaskan oil pipeline; and warns of his determination to speed up the licensing of nuclear power plants.

Sept. 9—in a radio address preceding the "state of the union" message going to Congress tomorrow, President Nixon warns against "limits on presidential powers that would jeopardize the capacity of the President."

Sept. 10—in a 13,500-word "state of the union" message to Congress covering some 50 proposed pieces of legislation, President Nixon warns emphatically against cutting defense spending or increasing domestic spending. Bills he calls attention to include revenue-sharing proposals, an anti-busing bill and bills in the fields of energy, trade, taxes, pensions, drug abuse, foreign aid and prevention of natural disasters.

In a 32-page white paper requested by the Senate Armed Services Committee, the Defense Department discloses air strikes in support of the Cambodian government in 1970 and 1971 and a dual system of reports to keep the attacks secret.

The Senate approves and sends to the White House compromise legislation lowering interest rates on federal disaster relief loans.

The U.S. Court of Appeals receives arguments from President Nixon's lawyers, Special Prosecutor Archibald Cox and Judge Sirica on the question of the release of the presidential tapes relating to Watergate.

President Nixon authorizes the order to deny federal contracts, grants or loans to companies convicted of violation of the Clean Air or Water Pollution Control Acts.

Sept. 11—On the urging of the U.S. Court of Appeals, U.S. District Judge Lee P. Gagliardi grants a delay in the trial of former Attorney General John N. Mitchell and former Secretary of Commerce Maurice H. Stans on charges of obstructing an investigation into fraud.

Sept. 12—Voting 273-144, the House of Representatives fails to override the President's veto of the emergency medical services bill.

The Senate Select Committee on Presidential Campaign Activities agrees to resume Watergate hearings on September 24.

The Senate confirms President Nixon's nomination of Alvin J. Arnett as director of the Office of Economic Opportunity; he was formerly assistant to acting director Howard Phillips.

In a letter to the Senate Foreign Relations Committee chairman, Senator J. W. Fulbright (D., Ark.), Attorney General Elliot L. Richardson states that he would order wiretaps only in cases of "genuine national security interest."

Sept. 13—In a unanimous memorandum the United States Court of Appeals for the District of Columbia circuit proposes an out-of-court compromise solution to the dispute between President Nixon and the Watergate grand jury over the White House tape recordings to avoid a constitutional confrontation, and requests a response by September 20. Special Prosecutor Archibald Cox agrees, and the White House counsel is studying the proposed compromise.

Sept. 14—*The New York Times* reports that Attorney General Richardson is turning over allegations against Vice President Spiro Agnew for review by the federal grand jury investigating charges of corruption in Maryland.

In a petition filed before Judge Sirica, 4 of the original Watergate defendants ask to change their pleas of not guilty. They declare that they pleaded guilty to keep secret national security operations and found themselves the victims of a "cruel fraud."

Sept. 16—Senator Walter F. Mondale (D., Minn.), making public a speech he will deliver on the Senate floor tomorrow, urges Congress to establish a national study commission that will recommend ways

to reduce the size of the presidency, now looming "larger than life and larger than the law."

Sept. 17—The I.B.M. Corporation is found guilty of violating the Sherman Antitrust Act. It is ordered to pay triple damages of \$352.5 million to the Telex Corporation.

The Federal Equal Employment Opportunity Commission issues a statement confirming that it has charged 4 major companies—General Motors, Ford, General Electric and Sears, Roebuck & Co.—and the unions they deal with of job discrimination.

Sept. 19—Appearing before the Senate Select Committee on Presidential Campaign Activities in closed session, Charles W. Colson, a former White House special counsel, refuses to answer question on the grounds of self-incrimination; he is being investigated by a federal grand jury and faces a possible indictment for his involvement in the Watergate scandal.

The House of Representatives, voting 259-164, fails to muster the necessary two-thirds vote to override President Nixon's veto of a bill to increase the minimum wage to \$2.20 an hour.

In a message to Congress, President Nixon outlines a housing program that would assist the poor and middle class.

Sept. 20—in letters filed with the Appeals Court for the District of Columbia, President Nixon's attorneys and Watergate Special Prosecutor Archibald Cox report that they have been unable to reach an out-of-court agreement on access to the presidential tapes relevant to the Watergate investigation. Last week, the 7 members of the U.S. Court of Appeals asked Cox and the President's lawyers to consider the possibility of a settlement.

Sept. 21—Gerald L. Warren, White House spokesman, discloses that yesterday President Nixon and Vice President Agnew met for an hour in secret.

Voting 78 to 7, the Senate confirms the nomination of Henry A. Kissinger as Secretary of State. He will be the first naturalized citizen and the first Jew to hold this post.

Sept. 22—Kissinger is sworn in as Secretary of State.

Sept. 23—President Nixon vetoes amendments to the Small Business Act because their disaster relief provisions are very costly.

The New York Times reports that "knowledgeable sources" have disclosed the existence of a secret political fund (the surplus of the 1968 presidential campaign fund) totalling over \$1.5 million that was controlled by 3 persons close to President Nixon from January, 1969, to February, 1973.

Sept. 24—at the resumption of the public hearings of the Senate Watergate committee, E. Howard Hunt, Jr., a convicted Watergate conspirator, testifies that Charles W. Colson, former White House special counsel, was aware of the intelligence operation

that eventually led to the break-in of the Democratic national headquarters at the Watergate complex in Washington, D.C.

In the U.S. District Court of the District of Columbia, a suit is filed to force the Nixon administration to release \$126 million in impounded funds for mental health and alcoholism programs.

President Nixon's lawyers file a motion with Chief Judge John J. Sirica in the U.S. District Court for the District of Columbia asking that the Senate Watergate committee's request for a summary judgment to force the President to hand over his tapes be denied.

Sept. 25—The Senate, voting 59 to 36, fails to override President Nixon's veto of a bill liberalizing the federal disaster loan program.

Attorney General Richardson announces a breakdown in discussions between Vice President Agnew and the Justice Department over the potential case involving Agnew's alleged acceptance of kickback money.

Vice President Agnew, in a letter to House Speaker Carl Albert, (D., Okla.), asks the House of Representatives "to undertake a full inquiry into the charges" made against him in the course of an investigation by the U.S. District Attorney for the District of Maryland. He declares that the request is made to protect the "constitutional stature" of the office of Vice President and to afford personal vindication.

The White House issues a 250-word statement in which President Nixon strongly endorses Agnew.

Sept. 26—Patrick J. Buchanan, special consultant to the President, tells the Senate Watergate committee that he had urged a White House strategy in support of Senator George McGovern's candidacy for the Democratic presidential nomination, but that nothing he proposed was "illicit, unethical, improper or unprecedented."

The House Ways and Means Committee votes to attach a restriction to a major foreign trade bill under consideration; it would rule out granting "most-favored-nation" status to the Soviet Union until Soviet Jews and other minorities were able to emigrate more freely.

Carl Albert, Speaker of the House, announces that he will not act on Agnew's request because it "relates to matters before the courts."

Sept. 27—*The New York Times* reports that Agnew has decided to fight in the courts for exoneration and not to resign.

The federal grand jury investigating corruption in Maryland begins to hear witnesses testifying against Agnew.

Sept. 28—In federal district court in Baltimore, Agnew's attorney files suit to bar a grand jury investigation on the ground that the U.S. Constitution

prohibits criminal proceedings against an incumbent Vice President.

Labor and Industry

Sept. 3—In a Labor Day address, George Meany, president of the American Federation of Labor and Congress of Industrial Organizations, blames the Nixon administration for "economic mismanagement."

Sept. 11—The Singer Company signs an agreement with the Soviet Union for scientific and technical cooperation.

Sept. 17—Representatives of the Chrysler Corporation and the United Automobile Workers union reach agreement on a tentative new 3-year contract, providing for a 3 per cent wage increase in each of the next 3 years and an extra 12 cents an hour in the first year.

Sept. 23—The U.A.W. announces that its membership has approved the new contract with the Chrysler Corporation, ending the 9-day shutdown.

Military

(See also *Government*)

Sept. 11—Secretary of Defense James R. Schlesinger reports that volunteer army enlistments were 19 per cent below the goal for August.

Politics

Sept. 22—The chairman of the Democratic National Committee, Robert S. Strauss, appears before the Democratic convention reform commission to plead for an end to infighting among the commission members.

Science and Space

Sept. 25—The 3 astronauts making up the Skylab 2 crew successfully splashdown in the Pacific, ending a record 59-day, 24-million-mile flight.

Supreme Court

(See *Economy*)

UPPER VOLTA

(See *China*)

VIETNAM, DEMOCRATIC REPUBLIC OF (North)

(See *Intl, War in Indochina; U.K., Britain*)

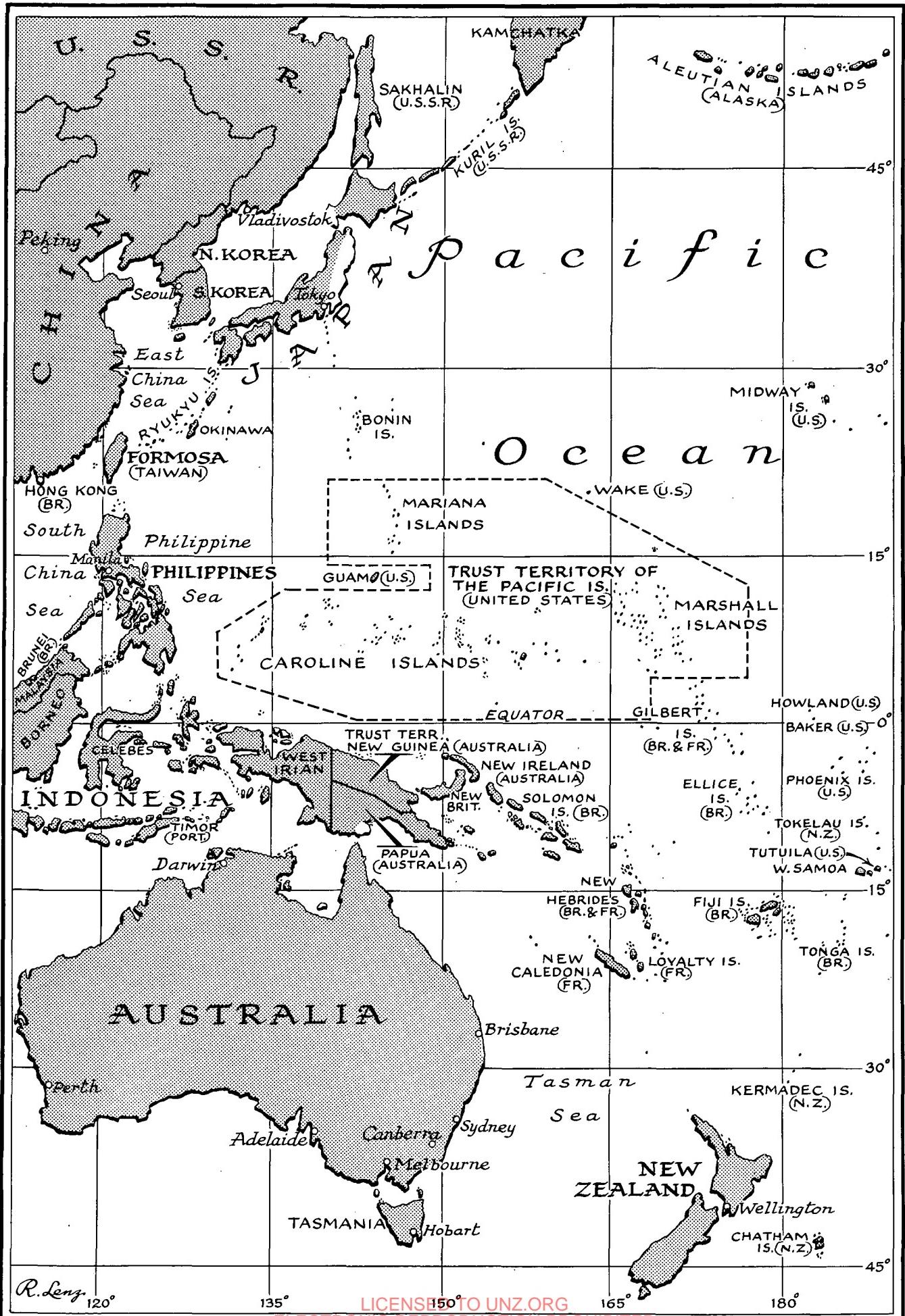
VIETNAM, REPUBLIC OF (South)

(See also *Intl, War in Indochina*)

Sept. 6—For the 5th time in 1973, the government devalues the piaster—from 500 to 510 to the dollar.

YUGOSLAVIA

(See *U.S.S.R.*)



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